

**Maine Department of Agriculture, Conservation and Forestry
Agricultural Resource Development Division**

**Resilient Food Systems Infrastructure Program (RFSI)
Infrastructure Project Grant Program Guide**

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1. Grant Summary

1.1 Overview

The United States Department of Agriculture (USDA AMS) is partnering with state Departments of Agriculture to invest in food supply chain resilience, market access, and value-added processing infrastructure through the Resilient Food Systems Infrastructure Program (RFSI).

The purpose of the Maine Resilient Food Systems Infrastructure (RFSI) program is to build resilience across Maine’s middle of the food supply chain. Funds will support expanded capacity for the aggregation, processing, manufacturing, storing, transporting, wholesaling, and distribution of Maine-produced food products, including specialty crops, dairy, grains for human consumption, aquaculture, and other food products, excluding meat and poultry.

The Maine Department of Agriculture (DACF) will work in partnership with USDA to make competitive sub-award investments in middle of the supply chain infrastructure (Infrastructure Project grants) to domestic food and farm businesses and other eligible entities. Projects will begin no earlier than July 1, 2024, and must be completed by May 24, 2027.

1.2 Definition of Middle-of-the-supply-chain

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.

RFSI funds cannot be used for 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.

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1.3 Funding availability

RFSI grants are intended to build resilience in the middle of the food supply chain, to provide more and better markets to small farms and food businesses, to support the development of value-added products for consumers, fair prices, fair wages, and new and safe job opportunities. Maine will receive \$3.5 million to offer subaward grants in two categories:

- RFSI Infrastructure Project grants to eligible middle-of-the-food-supply chain producers and processors (**\$1.2 million total**).
- RFSI Equipment-only subaward grants (**\$2.3 million total**).
 - These subaward grants will be up to \$100,000 and will not require matching funds from farmers and producers. The anticipated RFA opening for RFSI equipment-only grants is October 2024.

RFSI Infrastructure Project subaward grants will award up to \$250,000 through a competitive review process. RFSI Infrastructure Project awards may range between \$100,000 and \$250,000. There will be one round of funding for RFSI Infrastructure Project grants. Matching funds will be required; see Matching Funds section below for further details.

1.4 Maine RFSI Infrastructure Project Grant Priorities

RFSI Infrastructure Project grant applications must align with one or more of the following Maine RFSI Infrastructure Project Grant Priorities:

- Projects that will achieve on-farm facility infrastructure improvements (including expansion and modifications to existing buildings and/or construction of new buildings at existing facilities) to resolve middle-of-the-food-supply chain challenges.
 - The on-farm facilities to receive upgrades, repairs, or reconfigurations must be facilities that enhance middle-of-the-food-supply chain activities and not production related activities.
- Projects that support processing and packaging improvements (including value-added processing, hiring term-limited personnel to assist with project implementation, co-packing and packaging investments, and processing, canning, and preserving as an area most in need of investment, drying, hulling, shelling, milling, cooking, baking, juicing, distilling, and fermenting).
- Projects that support storage and distribution improvements (including cold storage, aggregator warehouse and storage space, and delivery and distribution investments).
- Projects that directly benefit underserved or underrepresented food producers.
 - Applicants must indicate if their project will directly benefit underserved farmers and ranchers, new and beginning farmers and ranchers, veteran producers, or

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processors or other middle-of-the-supply chain businesses owned by socially disadvantaged individuals including Local Food Purchase Assistance (LFPA) Producer Partners.

- Projects that demonstrate stakeholder support.
 - Applicants will be encouraged to describe the stakeholders that support the need for their project and why (other than the applicant and organizations involved in the project). Letters of support are encouraged.
- Projects that improve middle-of-the-supply-chain challenges within Maine’s targeted agricultural products (specialty crops, dairy, grains for human consumption, aquaculture, value-added products).

2. General Program Information

2.1 Purpose

The purpose of the Resilient Food Systems Infrastructure Program (RFSI) is to assist U.S. states and territories (States) to build resilience in the middle-of-the-supply-chain and strengthen local and regional food systems by creating new revenue streams for their state’s producers. States will make subawards in the form of Infrastructure Project Grants to middle-of-the-supply businesses to create more diverse local and regional market options and create more economic opportunities for communities, allowing them to retain more of the value chain dollar.

States must ensure that Infrastructure Project grants are used for the purpose of expanding middle-of-the-food-supply-chain capacity for locally and regionally produced foods and offer more and better market opportunities and new streams of revenue to small and mid-sized agricultural producers, including those who may not have access to value-added opportunities or processing to meet market demand for premium or value-added products, such as underserved producers.

RFSI investments aim to create a food systems infrastructure to support competitive and profitable market access for domestic farm products. RFSI serves as an important component of USDA’s framework to transform the food system to benefit consumers, producers, and rural communities by providing more options, increasing access, and creating new, more, and better markets for small and mid-size producers. The pandemic and recent supply chain disruptions have revealed the perils of a national food system that depends on capacity concentrated in a few geographic areas and requires many steps to get from farm to fork.

To be more resilient, the food system of the future needs to be more diversified, distributed, and local. RFSI addresses this need by targeting crucial parts of the agricultural supply chain to address gaps in existing pandemic assistance, Food Systems Transformation (FST) programs, and other USDA programs. **The primary goal of RFSI is to support food system crops and products meant for human consumption (excluding meat and poultry products, which are funded through other USDA programs).**

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The program also aims to:

- Support development of value-added products available to consumers;
- Support proposals that provide fair prices, fair wages and new and safe job opportunities that keep profits in rural communities; and
- Increase diversity in processing options in terms of business model approaches, geography, and availability to underserved communities. RFSI Infrastructure Project grants will award up to \$250,000 through a competitive review process. RFSI Infrastructure Project awards may range between \$100,000 and \$250,000. There will be one round of funding for RFSI Infrastructure Project grants. Matching funds will be required; see Matching Funds section below for further details.

3. Grant Eligibility

3.1 Eligible Entities

All applicant businesses and organizations must be domestically owned, and applicants' facilities must be physically located in Maine. Applicants doing business along the state's border or have locations in multiple states should only apply in one state to avoid duplication of federal funds.

Entities eligible for RFSI Infrastructure Project Grants are:

- Agricultural producers or processors, or groups of agricultural producers and processors.
- Nonprofit organizations operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.
- 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.
 - 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 SBA [Size Standards Tool](#)
- Local government entities operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.
- Tribal governments operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.
- Institutions such as schools, universities, or hospitals bringing producers together to

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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.

3.2 Projects Eligible for Funding

RFSI is intended to serve middle-of-the-supply-chain needs to add value and provide more, new, and better markets for locally or regionally produced food. This program is to support food system crops and products meant for human consumption (excluding meat and poultry products, which are funded through other USDA programs).

A project is a set of interrelated tasks with a cohesive, distinct, specified, and defined goal. It follows a planned, organized approach over a fixed period and within specific limitations (cost, performance/quality, etc.). Additionally, it uses resources that are specifically allocated to the work of the project and usually involves a team of people.

Projects are different from other ongoing operations in an organization because, unlike operations, projects have a limited duration with a definitive beginning and end. A project will also have an overarching goal that the applicant wants to accomplish through a series of individual activities or tasks.

RFSI Infrastructure Project grants will fund projects that expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products. Examples include:

- Expanding processing capacities, including adding product types, increasing production volumes, and supporting new wholesale/retail product lines;
- Modernizing equipment or facilities through upgrades, repairs, or retooling; (e.g., adapting product lines for institutional procurement or adding parallel processing capacity, construction of wastewater management structures, etc.);
- Purchase and installation of specialized equipment, such as processing components, sorting equipment, packing and labeling equipment, or delivery vehicles;
- Modernizing manufacturing, tracking, storage, and information technology systems;
- Enhancing worker safety through adoption of new technologies or investment in equipment or facility improvements;
- Construction of a new facility;
- Increasing packaging and labeling capacities that meet compliance requirements under applicable laws (e.g., sealing, bagging, boxing, labeling, conveying, and product moving equipment);
- Increasing storage space, including cold storage;

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- Develop, customize, or install equipment that reduces greenhouse gas emissions, increases efficiency in water use, improves air and/or water quality, and/or meets one or more of USDA's climate action goals;
- Modernize equipment or facilities to ensure food safety, including associated Hazard, Analysis, and Critical Control Points (HACCP) consultation, plan development and employee training;
- Training on the use of all equipment purchased under the grant and associated new processes.

3.3 Allowable Activities

The USDA defines the middle of the food supply chain as activities that take place after the production of the agricultural product but before the product is sold to consumers. These activities include the processing, aggregation, and distribution of agricultural products between leaving the field and entering the marketplace. Therefore, grant funds cannot be used for cultivation, harvest, or retail marketing of eligible food products. Allowable activities or tasks that could be a part of such projects may include:

- Hiring term-limited personnel to assist with project implementation activities;
- Purchasing special purpose equipment: defined in section 8.2 of the AMS General Terms and Conditions. This includes the purchase of special purpose equipment for institutions or others that will benefit multiple producers through middle-of-the-supply-chain activities such as processing, aggregation, and distribution of targeted agricultural products;
- Analyzing potential facility upgrades and changes that meet regulatory requirements, obtaining design and/or architecture services, etc. (to the extent these costs are directly related to the project);
- Planning for Hazard Analysis Critical Control Points (HACCP) or other food safety or worker safety measures or equipment recommendations; and
- Upgrades or new facilities for processing specific agricultural products, such as:
 - On-farm post-harvest processing, preservation, and storage/cold storage;
 - Post-harvest cleaning and grading;
 - Aggregator warehouse and storage, including cooperatives;
 - Purchase of freezing equipment, freezer, or cold storage;
 - Processing, canning, preserving and pasteurization;
 - Preparation and packing;
 - Drying, hulling, shelling, and milling; and
 - Cooking, baking, juicing, distilling, fermenting.

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3.4 Activities Not Eligible for Funding

The following activities are not eligible for funding:

- Acquiring real property (including land purchases), or any interest therein.
- Projects focused on meat and poultry processing, wild-caught seafood, exclusively animal feed and forage products, fiber, landscaping products, tobacco, medicine, or dietary supplements.
- Activities that have received a Federal award from another Federal award program for the same activity or equipment.
- Claiming expenses that have been or will be reimbursed under any Federal, State, or local government funding; and
- Projects that have already received funding from another federal grant or subaward may not receive funding for the same activities through RFSI. However, RFSI Infrastructure Project grants may build on the successes of prior funding, such as the USDA Regional Food Business Centers Business Builder subawards, to fund subsequent activities.

4. Matching Funds

4.1 Matching Funds Requirement

Infrastructure Project grant subrecipients are required to contribute 50% of the total proposed project cost as a match to federal funding. This applies to all applicants except those who qualify for the reduced match described in the next section.

RFSI Infrastructure Project grants require a cost sharing match. 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.)

RFSI Matching Funds		
50% Match Requirement Example		
Total Project Amount	Federal RFSI Funds Requested	Required Matching Funds
\$500,000	\$250,000	\$250,000
\$250,000	\$125,000	\$125,000
\$200,000	\$100,000	\$100,000
\$100,000	\$50,000	\$50,000

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4.2 Reduced Matching Funds – Historically Underserved Groups

For historically underserved farmers and ranchers, or for other businesses that qualify under SBA categories of small disadvantaged business, women-owned small business, or veteran-owned small business, the required match funding contribution or cost share is reduced to 25% of the project cost. States must require that applicants self-certify in their Infrastructure Grant applications to being eligible for this reduced match.

RFSI Matching Funds		
Historically Underserved Groups		
25% Match Requirement Example		
Total Project Amount	Federal RFSI Funds Requested	Required Matching Funds
\$330,000	\$247,500	\$82,500
\$250,000	\$187,500	\$62,500
\$200,000	\$150,000	\$50,000
\$100,000	\$75,000	\$25,000

4.3 Other Matching Fund Information

In-kind contributions are defined, when used as a cost share or match for a grant, as the value of goods or services provided for the benefit of the grant program, where no funds transferred hands. For example, a partner, such as a tribal community member, may volunteer their professional expertise as a match contribution to the project as described in 2 C.F.R. § 200.306(e). These contributions cannot satisfy a cost sharing or matching requirement for this grant program if they are used toward satisfying a match requirement under any other Federal grant agreement to which the applicant is a party.

All matching contributions must be committed or secured at the time an applicant is recommended for an award. Indirect costs may count toward the Infrastructure Grant applicant’s match. Refer to section 4.2 in the USDA RFSI Program Scope and Requirements, Indirect for more information. Program income (as defined in 2 C.F.R. § 200.1) or any other Federal funds is an ineligible match or cost share source.

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4.4 Matching Funds Letters of Verification

Each application must include the total amount of match and how it will specifically align with their requested funding. Additionally, applicants must submit one match verification letter for each cash or in-kind resource signed by the matching organization. The Matching Funds Letter of Verification template may be downloaded from the [Maine RFSI webpage](#).

Match Verification Letters must minimally include the following:

- Project Applicant
- Project Title
- Cash Commitment per year (if applicable) and Total Cash Match
- In-kind Contribution per year (if applicable) and Total In-kind Match. Break down items into categories as applicable:
 - Salaries (employee name, title, duties, pay rate/hr., amount matched per year)
 - Items/Activities (fair market value per unit, how value is determined, and amount matched per year)
 - Explanation of how each type of match will correspond to the budget or be used by the applicant.
- Signature of Matching Organization Representative with typed name and title.

Signed Match Verification Letters must accompany the Infrastructure Grant proposal at the time of application.

4.5 Evidence of Critical Infrastructure

Evidence of Critical Infrastructure is required if critical resources and/or infrastructure are necessary to complete the proposed grant project. Applicants must submit evidence that critical resources and infrastructure necessary to support the initiation and completion of a project are in place. Critical resources and infrastructure can be facilities, land, structure, use of city street/parks, shared-used kitchen, and/or other essential resources for the proposed project activities. Land, structures, and other critical resources must be in place and in working condition at the time of application submission. The letter must indicate the critical resources necessary for initiating and completing the project and certify that they are in place and committed prior to the start date of the project.

A template for the Evidence of Critical Infrastructure may be downloaded from the [Maine RFSI webpage](#).

Letters of Evidence of Critical Infrastructure must minimally include the following:

- Project Applicant
- Project Title
- A statement about committing/approving/granting permission, etc., of the critical resource or infrastructure to the project for the time period

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- A description of the approved use of the critical resource or infrastructure approved for the project, any costs associated with its use, and any qualifying circumstances for its use

5. Indirect Costs

Indirect costs are any costs that are incurred for common or joint objectives that cannot be readily identified with an individual project, program, or organizational activity. They generally include facilities operation and maintenance costs, depreciation, and administrative expenses. If an Infrastructure Project Grant recipient has a Negotiated Indirect Cost Rate Agreement (NICRA), States are required to honor that negotiated rate, and 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).

6. Competitive Application Review Process

6.1 State Procurement RFA Process

The full application package and submission instructions will be posted at the [Maine Division of Procurement Services Grant RFP and RFA](#).

The Maine Department of Agriculture, Conservation and Forestry (DACF) will develop a competitive RFSI Infrastructure Project grant process that requires applicants to demonstrate how their project meets state and federal program goals, state-determined priority funding areas, and aligns with current USDA AMS grant terms and conditions including allowable activities and expenses.

Maine DACF will open the Maine RFSI Request for Applications (RFA) process for infrastructure improvement project grants in March 2024. A question and answer opportunity will be provided to potential applicants following state procurement RFA guidelines.

6.2 Maine RFSI Sample Application Components

Applicants will be required to submit a USDA AMS RFSI Infrastructure Grant Template Form and demonstrate which USDA RFSI determined outcomes and indicators align with their project and will be required to be tracked and reported on via annual and final project performance reports. The USDA AMS RFSI Infrastructure Grant Template may be downloaded from the [Maine RFSI webpage](#). **Additional required application components will be** utilized to complete the competitive application review process.

These USDA RFSI grant template forms represent only a portion of the Maines RFSI grant application package. Additional supplemental questions and application requirements will be required as part of the complete Maine RFSI application process. Note: RFSI Infrastructure Project grant applications will have a different RFA application process and deadline than RFSI

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Equipment-only applications. **SAMPLE** Maine RFSI forms may be downloaded from the [Maine RFSI webpage](#).

6.3 Scoring Overview

Successful applications will demonstrate eligibility, business viability, a well-conceptualized and feasible project plan, a schedule of objectives and performance measures, a project budget, and anticipated outcomes. A scoring matrix will be published with the full application package, and submission instructions will be posted at the [Maine Division of Procurement Services Grant RFP and RFA](#).

6.4 USDA Application Review Requirements

States must award Infrastructure Grants through a competitive review process. When conducting their competitive review of subaward applications for Infrastructure Grants, States should consider the extent to which each:

- Is being submitted by an eligible entity
- Is for a project with eligible activities
- Is responsive to USDA and Maine RFSI priorities
- Demonstrates financial viability, technical feasibility, and readiness;
- Describes market impact and opportunities; and
- Demonstrates community impact and support, including labor and workforce considerations.

The USDA requires that states must include criteria in their RFSI Infrastructure Project grant solicitation that prioritize Infrastructure Grant applications that benefit the following:

- Underserved farmers and ranchers;
- New and beginning farmers or ranchers;
- Veteran producers;
- Processors and other middle-of-the-supply businesses owned by socially disadvantaged individuals, as defined by the Small Business Administration (SBA).

States must include criteria in their Infrastructure Grant solicitation that focuses funding to projects that:

- Offer family-supporting job quality and treatment/safety of workers;
- Focus on small and medium-sized enterprises that add options and choices for consumers and producers (emphasis on value-added);
- Demonstrate local support for the project;
- Support underserved communities; and
- Are submitted by cooperatives, farmer- and worker-owned enterprises.

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States may prioritize investments based on specific markets that align with program goals and are important in the State. Some potential markets for prioritization include:

- Institutions;
- Retail;
- Intermediaries, such as food hubs, aggregators, wholesalers, and distributors;
- Market channels or mechanisms intended to respond to food access challenges in the state, including district cultural markets, corner stores, etc.

6.5 Subrecipient Award Overview

Awards will be made within the constraint of available funds; consequently, awards may not be made to all qualifying applications. In addition, Maine DACF reserves the right to make partial awards and/or award grants to lower-ranked proposal(s) if insufficient funds remain to award the amount requested in a higher-ranked proposal. Top ranking applications may be required to come before the review committee to give a presentation on their proposal to assist in making their final decision on funding recommendations.

The Commissioner of Maine DACF will assess the review committee recommendations and be responsible for final approval before approved applications are submitted to the USDA for review. Applicants selected during the RFA process must respond to USDA questions and complete all USDA requested changes to the submitted project application. Final awards will be contingent upon USDA's acceptance of the project subrecipient applications recommended by the Maine DACF. The Maine DACF and the USDA reserve the right to reject any and all Applications or to make adjustments to subawards.

7. Disbursement of Funds

Award recipients must sign an official State of Maine agreement with Maine DACF indicating their commitment and responsibilities toward completing their RFSI project in a manner consistent with State of Maine policies and all applicable state and federal laws and regulations. Recipient businesses must be registered as a vendor with the Maine Division of Procurement Services before final approval can take place.

8. Reporting

Grant subrecipients will be required to submit annual performance reports as required by Maine DACF and the USDA throughout the duration of the project and a final performance report upon completion of the project. Maine DACF or its designee(s) reserves the right to perform site monitoring visits to any and all awardees to ensure that work is progressing within the required time frame and that fiscal procedures are being followed accurately and appropriately. Monitoring includes both financial and program information as well as site visits.

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9. Other Requirements

9.1 National Environmental Policy Act (NEPA)

All activities funded under this RFA 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. A review for NEPA compliance is required prior to the award of grant funds. If selected for an award, applicants must provide all requested information to support compliance with NEPA, NHPA, ESA, and all other federal environmental laws and regulations.

9.2 Build America, Buy America (BABA)

Any public infrastructure project funded under RFSI must coordinate with AMS to ensure adherence to BABA guidance. For such projects, the recipient must comply with the Buy America Sourcing requirements outlined in the Build America, Buy America (BABA) provisions of the Infrastructure Investment and Jobs Act.

For-Profit Entities: BABA does not apply to for-profit entities (prime or subrecipient) particularly for infrastructure projects. AMS will review facilities owned by public entities to determine whether BABA requirements apply, following USDA guidance to exempt de minimis grant awards and other inapplicable activities. All other Infrastructure Grant entities that surpass the \$250,000 threshold of applicable procurement costs must adhere to BABA.

Small Grants Waiver: The small grants waiver will apply to awards with total federal funding below the Simplified Acquisition Threshold, currently at \$250,000. BABA does not apply to Equipment Only Grants as they do not surpass this threshold of \$250,000. Resource: [2 CFR Part 184 - BUY AMERICA PREFERENCES FOR INFRASTRUCTURE PROJECTS](#)

9.3 UEI SAM.Gov

All subrecipients of RFSI funds must have a Unique Entity Identifier number (UEI) in SAM.Gov **prior to being issued a subrecipient contract**. There is NO cost to register in SAM.gov.

10. Acknowledgement of Support

In addition to the [AMS General Terms and Conditions](#) section 11.0 Acknowledgement of Support, this program also requires that the recipient follow AMS requirements for signage and acknowledgment of funding from the American Rescue Plan Act. **USDA AMS will provide guidance on necessary signage and acknowledgment.**



11. Questions and Answers

11.1 Eligibility Questions

Q: Can You Please Simplify Who and What are Eligible?

A: RFSI is intended to support the middle-of-the-supply chain activities for food products intended for human consumption (meat and poultry are excluded from food products). Soaps, fiber, animal feed, etc., are not eligible.

The Middle of the supply chain is the stages that occur after agricultural production and before the product is sold to consumers.

Tomato example: Planting, growing, and harvesting are ineligible. Once the tomato is off the vine, the middle of the supply chain starts. Middle of the supply chain eligible activities include washing and packing the tomato, cold storage, canning and preserving, value-added processing, building/expanding a commercial kitchen for value-added salsa/sauce processing, freezing, and cold/frozen shipping to a restaurant or grocery store. Activities related to retail markets or consumers, such as marketing and promotion, renovation of retail space, or other activities associated with selling tomato products, would be ineligible.

Q: Can a producer submit an application for a project 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. This includes applications for projects for institutions or others that will benefit multiple producers through middle-of-the-supply-chain activities such as processing, aggregation, and distribution of targeted agricultural products.

RFSI Funds may not be used to pay costs or allow for current market value of property and equipment as eligible total project costs that only support existing process capacity for a facility. Applications must demonstrate how the project will increase processing capacity in the state or region and contribute to more and better markets for the targeted agricultural products of farmers and ranchers in the state or geographic area, including whether and how it benefits underserved producers.

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The purpose of the Maine Resilient Food Systems Infrastructure (RFSI) program is to expand capacity and build resilience across Maine's middle-of-the-food supply chain. Successful applicants will effectively describe market impact and opportunities and demonstrate community impact and support, including labor and workforce considerations.

Q: Is there a definition for a "group of producers," or do the producers need to be in a formal structure such as an LLC?

A: A group of producers would need to be a part of a cooperative or LLC. The applicant entity will need to have a UEI in order to apply.

Q: Are farmers' markets considered middle of the supply chain and thus allowable for RFSI funding?

A: Farmers' markets are typically direct-to-consumer sales and would be the end of the supply chain. Any projects a farmers' market may apply for would need to show a clear justification as to how the proposed activities are middle of the supply chain and would be allowable under the RFSI.

Q: Are food banks and pantries eligible entities?

A: food banks and pantries are not eligible for RFSI, nor are food producers/aggregators seeking to transport to food banks and pantries with RFSI funded activities/equipment as these are considered end of the supply chain and do not, per USDA, meet the purpose of expanding middle-of-the-food-supply-chain capacity for locally and regionally produced foods and offer more and better market opportunities and new streams of revenue to small and mid-sized agricultural producers.

Q: The response regarding food banks leads me to be confused on many eligibility aspects as most processing/warehousing/storage/aggregation facilities go directly from that facility in the middle of the food supply chain directly to an end of the supply chain market whether it is a grocery store, food pantry, etc. Would those all be ineligible activities, then?

A: Transportation to the market could be allowable. However, cold storage/aggregation at the end of the supply chain (i.e., grocery stores/markets, food pantries/banks, farmers markets, etc.) would not be allowable. Also, keep in mind that these projects should be focused on creating more and better market opportunities for local and regional producers within the middle of the supply chain activities. Food banks/pantries are not increasing market opportunities and are at the end of the supply chain.

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Q: Can you please clarify "Activities that have received a Federal award from another Federal award program" as an ineligible project? Does this mean that the applicant currently has a federal grant vs an applicant that was a past recipient from another federal grant such as LFPP, SCBGP, etc. What if a potential RFSI applicant is currently a partner on a federal grant as a match vs. receiving direct funds? Can they still apply?

A: If the proposed project has received another federal award or 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. Can an organization with multiple facilities submit multiple applications to RFSI?

A. No. Only one RFSI Infrastructure Project grant application may be submitted per organization. The applicant entity must have a UEI.

Q: Can two organizations apply cooperatively?

A: No. One organization must serve as the lead applicant, as subrecipient contracts will be issued to singular organizations with a UEI. Cooperative support, including collaboration as contractors or consultants, is a permissible project activity.

Q: May I apply for an RFSI Infrastructure Project grant and an RFSI Equipment-only grant?

A: An applicant who is not awarded an RFSI Infrastructure Project grant may also submit an RFSI Equipment-only grant application. However, an applicant/entity may not be awarded both an RFSI Infrastructure Project grant and an RFSI Equipment-only grant. The RFSI Equipment-only grant RFA is anticipated to open in October 2024 after RFSI Infrastructure Project grant subawards are announced.

Q: Are distribution companies eligible for RFSI funding?

A: Yes, organizations that aggregate and/or distribute eligible food products are eligible for RFSI funding.

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11.2 Eligible Agricultural Products Questions

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: Are there any exceptions to the rule that meat and poultry products are ineligible for RFSI funding?

A: If the product being processed, aggregated, stored, or transported comes from a harvested animal (meat and poultry) then it is an unallowable food product for RFSI. Please note, this is with the exception of eggs, dairy, and farmed aquaculture, as they are allowable. Bacon products (such as flavored bacon bits and bacon jam), canned flavored meats, and bone broth are examples of ineligible meat products.

Q: Coffee beans and vanilla beans were allowable because they are a specialty crop? Also, we have people who buy cucumbers or tomatoes from various sources and then make salsa and pickles. Just to clarify that they do not qualify? Will we then be required to source verify where they get the produce/ag product?

A: If the majority of the agricultural food products being processed for the value-added product are locally and regionally produced, creating 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. We'd rather see projects that increase market opportunities for local and regional producers funded.

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 food 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 of their lifecycle. Wild-caught seafood is an ineligible product.

Q: Is aquaculture (farm-raised fish, shellfish, seaweed, etc.) eligible for RFSI funding?

A: Yes, farm-raised aquaculture projects may be funded by RFSI, including equipment to process eligible food products. Note that wild-caught fish or seafood are not eligible for RFSI funding. USDA defines aquaculture as the production of aquatic organisms under controlled conditions throughout all or part of their lifecycle.

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Q: Are honey and maple syrup eligible for agricultural products?

A: Yes, honey and maple are eligible food products. However, the purchase of bees, hives, maple taps and lines, and other production costs are ineligible as they are not considered the middle of the food supply chain. Expenses and activities occurring after turning the raw product into honey or syrup are eligible.

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 the RFSI Program Scope and Requirements.

Q: Are bakeries eligible for RFSI funding?

A: Bakery activities may be eligible as creating value-added products. Note that processing activities (such as baking) and aggregation/distribution activities are eligible for RFSI funding. Activities related to retail markets or consumers, such as marketing and promotion, renovation of retail space, or other activities related to selling baked goods, would not be eligible.

11.3 Matching Funds Questions

Q: What are examples of matching funds?

A: Match may consist of cash match, in-kind contributions, or any combination thereof. Note that all costs must be allowable under the grant conditions; costs such as construction costs, salary costs, equipment costs, the cost of hiring a contractor/consultant, etc., are all allowable and thus qualify as matching costs. For example, land purchases are not allowable and therefore cannot be used as matching funds.

Q: Should matching funds be explicitly designated to the funded project?

A: All matching funds will be subject to the same administrative requirements as grant funds. That is, matching funds must be treated and tracked like grant funds.

Q: Is USDA AMS working on a match calculator? We are having a little trouble calculating the match when using the 10% de minimus to meet the match requirement.

A: Yes, AMS is still working on the match calculator. We are hoping to have it ready very soon.

Q: Could government entities or institutions qualify for reduced match?

A: Government entities and institutions will not 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 do non-profits determine if they qualify for the 25% reduced match?

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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 that we are looking at ownership of the applicant entity, 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.

Historically underserved farmers and ranchers, disadvantaged small businesses, women-owned small businesses, and/or veteran-owned small businesses are eligible for the reduced match requirement of 25 percent. Other organization types, including non-profit organizations and cooperatives, may be eligible for a reduced match if 51 percent or greater of their owners/operators/board of directors meet the relevant criteria. Please note that this must represent the makeup of the organization itself, not the communities the organization serves.

Q: If an applicant wants to use critical infrastructure as a match (for example, their building), is the proper way to calculate the value of the match the depreciation of the building during the life of the grant under 2 CFR 200.436?

A: Yes, if the property/building is directly related to the proposed project's activities, they can use it to help meet the match requirement. They 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 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 an 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, 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 costs be used as part of the match?

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 subrecipients' approved negotiated indirect cost rate.

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Q: Can an infrastructure project grant 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: Can donated rental space or land be considered an 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: Are applicants required to have Matching Funds in-hand at the time of application?

A: Matching Funds that have been firmly committed to a project may be included in a proposal, at the applicant’s discretion. Should a project be awarded funding, the applicant organization will be responsible for meeting any and all Matching Funds requirements, even if an expected funding source becomes unavailable. The RFA review panel may consider whether a project has matching funds in hand or is firmly committed when judging that project’s feasibility. Applications that are selected for funding will be required to submit Letters of Verification for all matching funds prior to being awarded funding.

11.4 Allowable Costs and General Infrastructure Project Questions

Q: Can funds be used for food production related activities?

A: No, funds cannot be used for 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.

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Q: What costs are allowable construction costs? Can construction include design costs?

A: Construction costs can include administrative and legal expenses, structures, relocation expenses and payments, architectural and engineering fees, project inspection fees, site work, demolition and removal, construction, and miscellaneous expenses related to modernizing or expanding a new or existing facility. Architectural fees can include those associated with design.

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 I use funds to rent or lease space?

A: Rental costs associated with an eligible project are an allowable cost.

Q: Can RFSI funding be used to support growing or harvesting activities? What about retail activities?

A: No, RFSI funding cannot be used in support of growing, harvesting, or retail activities. RFSI funding is designed to support the middle of the supply chain, that is, processing, aggregation, and/or distribution activities.

Q: Can RFSI funding be used to fund a project that transports donated food to recipients in other locations?

A: RFSI funds cannot be used to deliver directly to consumers, as this is not considered to be the middle of the supply chain. Transportation between aggregation centers or from a distribution center to a market would be allowable.

Q: Is the construction of wastewater management structures an allowable RFSI project?

A: Yes, wastewater management structures may be constructed using RFSI funds.

Q: Can non-profit organizations use RFSI funds to support the activities of the organizations with which they work?

A: Non-profit organizations may use RFSI funds to support middle-of-the-supply-chain activities such as processing, aggregation, and distribution. Note that all food products must be eligible for RFSI funding. It is the responsibility of the organization awarded a subaward grant to ensure that RFSI funds are not used in support of unallowable or ineligible costs, activities, or food products.

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Q: Can RFSI funds be used to purchase food directly from farms?

A: No, food purchases are not allowable with RFSI funds. RFSI is designed to build and support infrastructure in the middle of the supply chain.

Q: Can RFSI funding be used to support educational programs designed to help create businesses?

A: RFSI funding is not designed to support the creation of new businesses or the development of business plans.

Q: Is program development allowable with RFSI funds?

A: RFSI is designed to increase market opportunities for local and regional producers operating within the middle of the supply chain. Generally, program development is not appropriate for RFSI; some simple employee-training programs (such as training employees on new equipment or processes adopted as a result of RFSI funding) may be allowable.

Q: Can contractors or consultants be used to complete RFSI projects?

A: Yes, contractual or consultant costs are allowable for Infrastructure Grants.

Q: How much detail should applicants include to support their requested budget?

A: It is recommended that applicants provide as much detail, support, and documentation as available at the time of application. It is understood that exact contractors or consultants may not be known, costs of equipment and supplies may fluctuate, employees may leave or join an organization, etc.

Q: How should applicants estimate a price for the application if the price is highly variable? Can costs or items requested later be adjusted, should a project be awarded funding?

A: RFSI is reimbursement-based. When grant recipients submit reimbursement forms (invoices) to the program, they will be reimbursed the actual amount they paid based on supporting documentation. Project budgets should be reasonable and supported by appropriate substantiating documentation.

Q: Can project expenses begin before RFSI funding is awarded?

A: No, RFSI infrastructure project subawards will be granted a specific performance period via a contract. All costs outside of these dates would be considered unallowable. As an example, an order that was placed for an eligible expense prior to the contract performance period start date would be an ineligible expense. Purchases may not begin, including orders for future delivery, outside of the contract performance period. Further, no expenses should be initiated prior to receipt of a fully executed contract.

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Q: If we receive a conditional award, how long will it take us to receive a contract and have access to funds?

A: Contracts will not have a performance start date earlier than July 1, 2024. However, the actual performance period start date may vary. The Department will receive and review applications in the spring. The Commissioner will evaluate the RFSI RFA scoring committee's recommendations and the Department will forward final subaward recommendations to the USDA by May 24, 2024. The USDA will review the state's projects recommended for funding and evaluate for eligibility, feasibility, and alignment with the priorities, terms, and conditions of the USDA RFSI program. The USDA may request project changes, or ask clarifying questions. Applicants will be required to complete any required documentation requested by the Department or the USDA prior to a contractual award. This process may take longer than July 1, 2024 to fully complete. The Department will communicate the timeline and required steps with conditionally awarded applicants.

Q: How frequently will subrecipient payments be issued during the grant period, should a project be awarded funding?

A: Reimbursements will be based on reimbursement forms (invoices) submitted to the Department. Invoices must be submitted at least quarterly, and no more frequently than monthly.

Q: Can costs or items requested be adjusted during the grant duration, if a project is awarded funding?

A: Yes, as long as the changes are reasonable, justifiable, and the original goals of the project are met. Note that budgets cannot be increased after funds are awarded.

Q: Will there be the opportunity to extend the grant term past the end date?

A: Currently, USDA has issued guidance that no-cost extensions will not be available for RFSI projects. Projects must be completed by May 24, 2027.

Q: If a project or facility may benefit ineligible food products (e.g., a processing facility that will process both vegetables and meat) or stages of the supply chain (e.g., a building holding both processing and retail facilities), what should applicants do?

A: Applicants should demonstrate that robust tracking mechanisms are in place to ensure that RFSI funds do not support unallowable costs. Funds can be divided proportionally based on a reasonable system, such as square footage for construction projects, receipts of actual costs paid for supplies, hours worked for staff time, etc.

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Q: What are the requirements if an applicant would like to use RFSI funds to expand upon a program already funded by other grant funds?

A: Expansion of an already-funded project is allowable with RFSI funds. It is the responsibility of the applicant to demonstrate that they have robust tracking methods in place to ensure that RFSI funds are not used for the same costs as other sources of funding; that is, applicants are required to show that their project can avoid duplication of costs.

Q: Can a proposed project take place on property not owned by the applicant; for example, could an organization that is leasing land or property use RFSI funds to upgrade equipment on that property?

A: Applicants who will make upgrades to land or property that they do not own should submit a Critical Resource Infrastructure Letter with their application to demonstrate that they have the approval of the property owner to do so.

11.5 Questions Related to Equipment

Q: What types of equipment are allowable? (Applicable to RFSI Infrastructure Project Grants and Equipment-only Grants)

A: Special purpose equipment purchases are allowable when provided in the approved budget or with prior written approval for acquisitions costs and rental costs of special purpose equipment provided the following criteria are met:

Allowable:

- Purchases of special purpose equipment (such as, canners, hulling processors, reverse osmosis systems, egg packing machines, flotation tanks, roasters, or other processing equipment, packing and labeling equipment, or delivery vehicles) are allowable when approved in the agreement budget or with prior written approval.

All equipment purchases must meet the following criteria:

- Equipment is necessary for the technical activities of the agreement and is not otherwise reasonably available and accessible.
- Equipment is normally charged as a direct cost by the organization and is acquired in accordance with organizational practices.
- Equipment must be used solely to meet the purpose of the program and objectives of the agreement.
- Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR § 200.313 as applicable.

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Unallowable:

- Purchases of general-purpose equipment (e.g., general use motor vehicles, office furniture, office air conditioners, printers, and copiers) or lease agreements to own (i.e., lease-to-own or rent-to-own).

Q: Can funds be used to purchase vehicles? (Applicable to RFSI Infrastructure Project Grants and Equipment-only Grants)

A: Special purpose vehicles relevant to the scope of work on an RFSI Infrastructure Grant project, or the intent of an equipment-only grant, 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? (Applicable to RFSI Infrastructure Project Grants)

A: Yes. RFSI Infrastructure Project grant funds may be used to repair or update existing equipment. However, equipment-only grant funds may not be used for repairs.

Q: What are the equipment disposition requirements for subrecipients? (Applicable to RFSI Infrastructure Project Grants and Equipment-only Grants)

A: For equipment disposition for subawards, states will follow their own state disposition policies and procedures, laws, and regulations. When the subaward is closed out, the state and subrecipients must account for any equipment acquired with RFSI funds. The state will monitor the procured equipment in accordance with their policies and procedures. For additional information, refer to 2 CFR 200.344.

Q: Are applicants required to submit documentation to substantiate the costs of special purpose equipment? (Applicable to RFSI Infrastructure Project Grants and Equipment-only Grants)

A: Yes, applicants should submit documentation to substantiate the costs of each piece of equipment, which can include contracts, catalog pricing, or binding quotes provided by licensed commercial entities.

Q: Is the RFSI equipment-only grant a \$10,000 minimum and \$100,000 maximum for the purchase of a single piece of equipment? (Applicable to Equipment-only Grants)

A: You can purchase multiple pieces of equipment under the Equipment-Only Grants, if they are purchased at the same time. However, they must be special purpose equipment that is directly related to the activities of the proposed funding outcomes. The special purpose equipment under these grants could also potentially be less than the typical USDA \$5,000 special equipment threshold per unit. Please note that these grants must total a minimum of \$10,000 and not exceed \$100,000.

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We have received clarification that RFSI equipment-only grants have to be focused on one primary outcome (e.g. increasing value-added processing capacity; improving transportation to a food aggregator (food banks and pantries are excluded); accessing new and better markets by increasing cold storage capacity). Again, a RFSI equipment-only applicant may use one application to apply for more than one piece of specialty equipment that falls within the applicant's primary outcome and which will be purchased at the same time.

Q: Do equipment-only grants require a match? ([Applicable to RFSI Equipment-only Grants](#))

A: Please note that the RFSI infrastructure project grants require matching funds, but **the equipment-only grants do not.**

Q: In an Equipment-only grant application where installation is included in the equipment cost, would only the item-itself portion of the cost be eligible and the applicant have to have the vendor separate the installation portion out and not receive \$ for that? Or are we saying that installation included in the vendor cost is ok to be paid? ([Applicable to RFSI Equipment-only Grants](#))

A: In RFSI Equipment-only grants, minimal installation and delivery fees that are included within the equipment sales 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: Are construction costs associated with the equipment installation eligible for RFSI Infrastructure Project Grants? ([Applicable to RFSI Infrastructure Project Grants](#))

A: Yes engineering, construction, and installation costs are eligible Project expenses.

Q: Are construction costs associated with the equipment installation eligible for RFSI Equipment-only Grants? ([Applicable to RFSI Equipment-only Grants](#))

A: No. Construction materials, contractor installation costs (e.g. electrical wiring, preparing a cement pad and gravel substrate to level the ground, and paving a graded ramp to facilitate forklift loading/unloading) would fall into the buildings, land, construction, and/or renovation category which is only permissible in RFSI Infrastructure Projects grants and not RFSI Equipment-only grants.

Further, an engineering plan, electrical needed for equipment, preparing the facility for equipment installation, and other tasks to be completed by a contractor and not an equipment manufacturer are ineligible for RFSI Equipment-only grants (would be eligible for RFSI infrastructure project grants).