

# Pennsylvania Resilient Food Systems Infrastructure Program Frequently Asked Questions

## GENERAL QUESTIONS

**1. Q. Which activities are included in the “middle-of-the-supply-chain”?**

A. The U.S. Department of Agriculture (USDA) defines “middle-of-the-supply-chain” activities as activities in the Processing and/or Aggregation and Distribution stages of the food supply chain. As an example, Processing activities may include processing, packaging, or preserving crops; extracting products from crops; and/or creating value-added products from crops. Aggregation and Distribution activities may include storing, tracking, distributing, and/or delivering crops. Similar activities not listed here may also be included.

Enhancing worker safety and/or education and/or modernizing, developing, or expanding equipment or facilities used for Processing, Aggregation, or Distribution activities are also considered to be “middle-of-the-supply-chain” activities for the purposes of this program.

**2. Q. Which activities are NOT included in the “middle-of-the-supply-chain”?**

A. Activities related to production or to markets and consumers are **not** part of the middle-of-the-supply-chain. Costs and/or activities related to farm production may include farm equipment, tools, seeds or starts, or production related labor, training, or infrastructure. However, costs related to on-farm, post-harvest processing, preservation, and/or storage would be considered middle-of-the-supply-chain activities. Costs and/or activities related to markets and consumers may include expanding sales staff for a farm store; renovation of retail space, including additional refrigeration; marketing and promotion, etc.

**3. Q. How does an applicant determine if a proposal is appropriate for the Resilient Food Systems Infrastructure (RFSI) Program?**

A. All proposals must support the middle of the food supply chain, meet one or more of the program priorities as described in the Request for Applications (RFA), and be able to achieve one or more performance measures during the grant duration to be eligible for this program. In addition, all applicant businesses and organizations must be domestically owned, and applicants' facilities must be physically located within the State of Pennsylvania.

**4. Q. How can applicants submit questions during the application period?**

A. All question should be submitted to the Agriculture Business Development resource account, [RA-AGBUSINESS@pa.gov](mailto:RA-AGBUSINESS@pa.gov).

5. **Q. Will PDA provide answers to specific questions regarding the eligibility of proposals or assist applicants in completing their proposals?**
- A. Beginning January 13, 2024, PDA will assist applicants with eligibility questions regarding their proposals. PDA will also continue to update the FAQ as needed.
6. **Q. Where do I submit my completed application?**
- A. [Single Application for Assistance \(state.pa.us\)](https://state.pa.us) For technical assistance with an application, please contact the Enterprise eGrants Customer Service Center. Representatives are available Monday through Friday, from 8:30 AM until 6:00 PM, at 833-448-0647. Email inquiries can also be sent to [egrantshelp@pa.gov](mailto:egrantshelp@pa.gov). The Enterprise eGrants Customer Service Center should only be contacted for technical issues with the online application. All questions and concerns should be directed to the Agriculture Business Development Center Resource account, [RA-AGBUSINESS@pa.gov](mailto:RA-AGBUSINESS@pa.gov).
7. **Q. What is a Unique Entity Identifier (UEI) and is it required to submit a proposal?**
- A. Entities doing business with the federal government must obtain a UEI through SAM.gov. Active registrants will have their UEI assigned and viewable within SAM.gov. PDA is [strongly encouraging all applicants](#) to obtain a UEI prior to submitting a proposal; if awarded RFSI funds, recipients will need to obtain a UEI before a grant agreement can be executed.
8. **Q. How does USDA define “underserved farmers”?**
- A. USDA defines underserved farmers as a member of a group whose members have been subject to discrimination on the basis of race, color, national origin, age, disability, and, where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program.
9. **Q. How does USDA define “small business”?**
- A. USDA uses the U.S. Small Business Administration (SBA)'s guidelines to determine whether an organization qualifies as a small business. NDA recommends visiting the SBA [website](#) for more detail.
10. **Q. How does USDA define “beginning farmer”?**
- A. USDA defines beginning farmers as an individual or entity that has not operated a farm before or one that has not operated for more than 10 years and who substantially participates in the operation.

- 11. Q. Can projects take place before RFSI funding is awarded?**
- A. RFSI projects can begin no earlier than funding distribution estimated to be July 1, 2024, and must end by May 24, 2027. All costs outside of these dates would be considered unallowable.
- 12. Q. Can an organization with multiple facilities submit multiple applications to RFSI?**
- A. No. Each organization may only submit one application for RFSI funds.
- 13. Q. Are distribution companies eligible for RFSI funding?**
- A. Yes, organizations that aggregate and/or distribute eligible commodities are eligible for RFSI funding.
- 14. 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. RFSI funds cannot be used to deliver directly to consumers, as this is not considered to be the middle of the supply chain.
- 15. 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.
- 16. 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.
- 17. 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 RFSI Scope and Requirements, on farm post-harvest processing, preservation, and storage/cold storage are allowable activities.
- 18. 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 the 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 buildings' floor, foundation, and exterior or load bearing walls.

**19. Q. Can RFSI funds be used to purchase in-field equipment?**

A. Yes, equipment designed for in-field use is allowable, provided it is used for processing, rather than harvesting, activities.

**20. Q. What is the difference between Infrastructure Grants and Simplified Equipment-Only Grants?**

A. Infrastructure Grants will fund projects that expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products. This grant type is subject to match requirements. Simplified Equipment-Only Grants are "Fixed Price" grants, meaning they will fund only equipment purchases (and not associated facility upgrades, staffing, or other costs). No match is required for this grant type.

**21. Q. What are the award limits for Infrastructure Grants and Simplified Equipment-Only Grants? How much funding is available for each type?**

A. The minimum award amount for the Infrastructure Grants is \$100,000 and the maximum award amount is \$3,000,000. The \$3,000,000 award cap does not include the in-kind/matching funds from the Infrastructure Grant recipient. An Infrastructure Grant applicant can apply for up to \$3,000,000 of RFSI funding and will be required to provide the appropriate matching funds. Approximately \$19.3 million will be available for Infrastructure Grants.

The minimum award amount for the Simplified Equipment-Only Project grants is \$10,000 and the maximum award amount is \$100,000. Approximately \$4.8 million will be available for the Simplified Equipment-Only option.

**22. Q. Can funds be used to purchase land or buildings?**

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

**23. Q. Can funds be used to repair and/or upgrade existing equipment?**

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

**24. 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 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.

## **ELIGIBILITY**

**1. Q. Who is eligible to apply for RFSI funding?**

A. Agricultural producers or processors; groups of agricultural producers and processors; nonprofit organizations, local governments, and Tribal governments operating middle-of-the-supply-chain activities; and institutions such as schools, universities, or hospitals bringing producers together to establish cooperative or shared infrastructure or to invest in equipment that will benefit multiple producers' middle-of-the-supply-chain activities are eligible to apply.

**2. Q. Are applicants allowed to submit the same proposal to more than one grant program?**

A. Applicants may submit the same proposal to multiple state or federal grant programs; however, applicants are required to disclose the other grant programs. If the proposal is selected for funding by another state or federal award program after the proposal is submitted to the RFSI, the applicant must inform PDA immediately. Applicants are allowed to receive RFSI funds to support activities within a project funded through multiple grant sources. However, RFSI funds may not be used to duplicate activities funded by another grant source.

**3. Q. Are applicants allowed to submit multiple proposals to RFSI?**

A. Applicants must select one funding track and may submit one application, total.

**4. Q. Which commodities are eligible for RFSI funding?**

A. Eligible commodities include specialty crops, dairy, grain (for food), and other sectors, given that the products are meant for human consumption. Eligible specialty crops include fruit, vegetables, dried fruits, tree nuts, horticultural products such as tea or honey, and culinary and medicinal herbs and spices. Note that some specialty crops, such as floriculture or ornamental trees, are not intended for human consumption and therefore not eligible for RFSI funding. Cannabis is also not eligible.

**5. Q. Is a project eligible if it includes meat and/or poultry?**

A. Projects supporting the meat and poultry industries are funded through other USDA programs. If, for example, a food hub processes eligible crops as well as

meat and/or poultry, the proposal should demonstrate that robust tracking mechanisms are in place to ensure that RFSI funds are not used to support ineligible commodities. However, note that aquaculture is an eligible activity, given the project meets the other requirements of the RFSI.

6. **Q. Are individual producers and/or sole proprietors eligible to apply?**
  - A. Individual producers and sole proprietors are eligible to apply. However, those entities should be able to demonstrate that their proposal provides a broader benefit to local and/or regional producers, markets, stakeholders, the community, etc.
  
7. **Q. How are project beneficiaries defined?**
  - A. Project beneficiaries are the local and/or regional producers, markets, stakeholders, and communities, including the applicant organization, that will directly benefit from a project. The number cited in the Project Beneficiaries response should be a reasonable estimate that can be documented and reported upon during the duration of the grant, if selected for funding. For these reasons, stating that a project will benefit an entire industry or region is not an appropriate response for this question.
  
8. **Q. Are there any criteria for who can be named as Project Director(s), Project Manager(s), and/or collaborators who will directly manage activities funded through RFSI?**
  - A. PDA does not have set requirements for these positions. It is up to the applicant to select the individual(s) best suited and appropriately qualified for the project.
  
9. **Q. Are projects required to last the full grant duration?**
  - A. Projects selected for funding may begin on or after July 1, 2024, after the execution of a grant agreement, and must end by May 24, 2027. As long as projects do not start before or end after the dates specified in the RFA, any duration is allowed. Please note that no-cost extension requests will not be facilitated beyond the maximum grant duration. All costs outside of these dates would be considered unallowable.

## PERFORMANCE MEASURES

1. **Q. Where can applicants find additional information about the performance measures?**
  - A. The RFSI performance measures are detailed in the application template. Projects must accomplish all selected performance measures and associated indicators during the grant duration.
2. **Q. Do projects that address more than one performance measure receive a higher priority for funding?**
  - A. The number of performance measures a project will address is not a factor in the scoring of proposals. Projects are not required to select more than one performance measure and indicator.
3. **Q. If an applicant selects more than one performance measure and/or indicator, do they all have to be achievable within the grant duration?**
  - A. All selected performance measures and associated indicators must be achievable and trackable within the grant duration.

## BUDGET SECTION

1. **Q. What are federal cost principles?**
  - A. Federal cost principles 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, applying cost principles to RFSI grant funds consistently, and ensuring contractors and/or consultants comply with federal cost principle requirements.
2. **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.
3. **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>) 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.

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

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

**5. 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 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://www.ecfr.gov/cgi-bin/text-idx?SID=35fcd29238edd42c8b1f8b1628e39d47&mc=true&node=pt2.1.200&rgn=div5#se2.1.200_1431)) for more information.

**6. 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.

**7. Q. What is the General Schedule 15 (GS-15), Step 10?**

A. The GS-15, Step 10 is the maximum pay allowed annually and hourly for contractors and consultants by the federal government. Applicants should use the GS-15, Step 10 rate for their area when developing contractual cost estimates to ensure rates are reasonable and consistent with fees in the marketplace for similar services. Contractor costs exceeding the GS-15, Step 10 rate must be paid from a source other than RFSI funds unless a justification is provided and approved by PDA and USDA. To access the GS-15 step 10 rate, reference the U.S. Office of Personnel Pay and Leave website



(<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>) and click on “GS Pay Tables” under “General Schedule and Locality Pay Tables.”

**8. 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 the conditions. “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.

## **MATCHING FUNDS REQUIREMENTS**

**1. Q. Are matching funds a requirement of the RFSI?**

- A. USDA requires Infrastructure Grant recipients to contribute 50 percent of the total proposed project cost as a match to federal funding. Match may consist of cash match, in-kind contributions, or any combination thereof. Funds from other federal grant programs may not be used as match for this cooperative agreement. Funds from state grants, including PDA grants, may be used as matching funds, so long as those costs do not originate from a federal pass-through grant, are not committed elsewhere as matching funds, and the source of those funds does not prohibit those funds from being used as match.

Simplified Equipment-Only Grants do not require matching funds.

**2. Q. Is a reduced match requirement available?**

- A. Historically underserved farmers and ranchers, disadvantaged small businesses, women-owned small businesses, and/or veteran-owned small businesses are eligible for a reduced match of 25 percent for Infrastructure Grants. Applicants must self-certify in their Infrastructure Grant applications as being eligible for this reduced match.

**3. 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.

4. **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.
  
5. **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://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.
  
6. **Q. When are recipients required to report matching funds?**
  - A. Recipients are required to report matching funds on quarterly invoices and annual reports. Match reported on invoices must align with the match requirement set forth in the grant agreement and be proportional to the amount of federal funds being requested. Backup documentation for matching funds will be subject to the same requirements as federal funds. At a minimum, backup documentation should be sufficient to demonstrate the source and amount of the matching funds, as well as how those funds directly relate to overall project costs.
  
7. **Q. Can a proposal supply more than the minimum required matching funds?**
  - A. 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](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200) (<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>) and [2 CFR §200.306](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.306) (<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-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 a federal award.

Applicants for Equipment-Only Grants are not required to provide matching funds. However, applicants can choose to provide matching funds if the total cost of the equipment to be purchased exceeds the maximum award amount of \$100,000. In this case, applicants must provide matching funds sufficient to cover the difference between the maximum award amount and the total cost of the requested equipment.

## **REVIEW PROCESS**

**1. Q. How will my application be scored?**

A. Applications will be scored using the RFSI Infrastructure Grant Scoring Rubric that is included in Pennsylvania's Request for Applications.

**2. Q. What is the competitive review process and how does the review process work?**

A. Applications are reviewed completely by a group of volunteers with knowledge and expertise regarding the Pennsylvania agricultural industry. This committee is broken up by funding category to review, evaluate, and make recommendations to PDA on proposals submitted for funding to Pennsylvania's RFSI. The reviewers evaluate and score proposals individually and then meet to have an open discussion. The committee's recommendations are then presented to PDA.

**3. Q. How does the review process work between PDA and USDA for projects that receive funding?**

A. PDA's administrative and competitive review process helps to ensure that the proposals recommended to USDA for funding are timely and important for Pennsylvania agriculture and comply with all program rules and regulations. USDA has the final say regarding which proposals receive funding. USDA may approach PDA with questions on specific proposals, in which case PDA will work with the applicant to resolve any issues. In some cases, USDA may ultimately elect to decline a proposal.