

Resilient Food Systems Infrastructure (RFSI) Grants

Application Guidelines



Idaho State Department of Agriculture

Table of Contents

Table of Contents	1
I. Introduction.....	2
II. Eligible Entities and Products.....	2
III. Eligible Grant Projects	3
IV. Cost Sharing and Matching Requirements.....	5
V. Indirect Costs.....	5
VI. General Application Procedures and Requirements	6
VII. Simplified Equipment-Only Grant Application Procedures and Requirements	8
VIII. Infrastructure Grant Application Procedures and Requirements.....	8
IX. Administration of Grants	12
X. Allowable Costs.....	12
XI. Restrictions and Limitations on Grant Funds.....	12
XII. Selection and Scoring Criteria.....	13
XIII. Post-Award Management	14
XIV. Financial Reporting Requirements.....	15
XV. Performance and Audit Reporting Requirements.....	18
XVI. Request for Payment.....	19
XVII. Records Retention	19
XVIII. Disposition of Improved Properties	19
XIX. Definitions.....	20
XVIII. ISDA RFSI Grant Contact	22
Appendix A: List of Selected Costs Contained in OMB Cost Principles Regulations	23

I. Introduction

The Idaho State Department of Agriculture (ISDA) is pleased to announce the competitive solicitation process to award Infrastructure Grants and Simplified Equipment-Only grants to expand capacity for the aggregation, processing, manufacturing, storing, transporting, wholesaling, and distribution of Idaho food products.

The United States Department of Agriculture (USDA), Agricultural Market Service (AMS) has allocated these funds to the states and ISDA will be passing through funds as competitive grants to support infrastructure in the middle-of-the-supply chain for Idaho food and farm businesses to improve the resilience of Idaho's supply chain.



The Idaho RFSI program is contingent upon approval of the Idaho Legislature. The spending authority for this program requires legislative approval. In order to meet USDA deadlines, ISDA will be accepting applications in advance. Grants will only be awarded if approved in ISDA's FY25 budget.

There are two grant opportunities. Applicants may submit one Simplified Equipment-Only Project and two Infrastructure Grant Projects to ISDA for consideration. **Only one grant, however, will be submitted to USDA.**

- **Simplified Equipment-Only Projects.** These projects offer a simplified application to fund smaller grants between \$10,000 and \$100,000 for equipment purchases. The Simplified Equipment-Only option is a Fixed Price Grant, meaning it will fund only equipment purchases (and not associated facility upgrades, staffing, or other costs), and the amount awarded will be equal to the cost of the equipment up to \$100,000.
- **Infrastructure Grant.** The minimum award amount is \$100,000 and the maximum award amount is \$3,000,000. This program provides a unique opportunity for Idaho industry. ISDA encourages the submission of large projects for maximum impact on Idaho's food system infrastructure.

The application deadline is **Friday, March 15, 2024.**

The requirements and procedures listed below are based on federal rules and regulations for RFSI funds. For additional details, visit <https://www.ams.usda.gov/services/grants/rfsi>

Regional Food Business Center Business Builder Grants

Idaho farm and food businesses are also eligible to apply for funding through the Northwest and Rocky Mountain Regional Food Business Center (NWRM RFBC) to strengthen viability and expand market access. Funding is for specific physical, technical or logistical capacity needs. Unlike RFSI funding, the grants may support marketing efforts. No match is required. The application period is expected to open in June 2024 and the NWRM RFBC anticipates providing grants for a maximum of \$50,000. For more information visit <https://nwrockymountainregionalfoodbusiness.com/> or contact Becca Cashero at Rebecca.Cashero@oregonstate.edu

II. Eligible Entities and Products

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).

Ineligible products include meat and poultry, wild-caught seafood, exclusively animal feed and forage products, fiber, landscaping products, tobacco, dietary supplements and hemp products.

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

All applicant businesses and organizations must be domestically owned, and applicants' facilities must be physically located within the state of Idaho.

III. Eligible Grant Projects

To be eligible for a grant, the project(s) must expand 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.

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.

Infrastructure 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);
- 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;
- Develop, customize or install equipment that increases efficiency in water use or improves air and/or water quality;
- Modernize equipment or facilities to ensure food safety, including associated Hazard, Analysis, and Critical Control Points (HACCP) consultation, plan development and employee training; and
- Training on the use of all equipment purchased under the grant and associated new processes;

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 2.2 of the [RFSI Program Specific Terms and Conditions](#). This includes 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 that will expand middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural product;
- 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.

Unallowable activities or tasks include:

- Projects focused on meat and poultry processing or other ineligible agricultural products;
- Agricultural production activities/costs including farm equipment, tools, supplies, gardening, or production related labor/training. Only on-farm post-harvest processing, preservation, and storage/cold storage are allowable activities.

Projects must be completed by February 28, 2027

Projects must be completed by February 28, 2027. The start date is estimated to be sometime in November 2024 but may vary depending upon the date USDA accepts Idaho’s final application package and the disbursement agreement is signed between the Sub Recipient and ISDA Director. No expenses may be incurred before or after the effective dates.

IV. Cost Sharing and Matching Requirements

Matching Funds Requirements:

- **Simplified Equipment-Only Projects** - No match is required.
- **Infrastructure Grants** - Recipients 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 below.

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. Applicants must self-certify their eligibility for the reduced match in their Infrastructure Grant Application.

See below for examples using 50% and 25% match requirements based upon the total project cost:

RFSI Match Calculator 50% Match Requirement	
	Amount
Total Project Amount:	\$200,000
Federal Funds Requested:	\$100,000
Match Amount:	\$100,000

RFSI Match Calculator 25% Match Requirement	
	Amount
Total Project Amount:	\$200,000
Federal Funds Requested:	\$150,000
Match Amount:	\$50,000

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 of application.
- Indirect costs may count toward the Infrastructure Grant applicant’s match. Refer to **Section VI** Indirect Costs for more information.
- Program income (as defined in **2 C.F.R. § 200.1**) or any other Federal funds is an ineligible source of match or cost share.

V. Indirect Costs

Indirect costs are allowed for Infrastructure Grants only. 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 a you have a NICRA, you must submit a copy of your NICRA with your

Infrastructure Grant application. Otherwise, you may elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC).

- **Direct costs** are costs that can be identified specifically with a particular award, project or program, service, or other organizational activity or that can be directly assigned to such an activity relatively easily with a high degree of accuracy. Typically, direct costs include, but are not limited to, compensation of employees who work directly on the award to include salaries and fringe benefits, travel, equipment, and supplies directly benefiting the grant supported project or program.
- **Indirect costs** (also known as “facilities and administrative costs”) defined at **2 C.F.R. § 200.1** are costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved. Refer to **2 C.F.R. §§ 200.413** and **414** for additional information on determining if costs charged to the award are direct or indirect.

The salaries of administrative and clerical staff should typically be treated as indirect costs. However, charging these costs as direct costs may be appropriate where all the following conditions are met:

- Administrative or clerical services are integral to a project or activity;
 - Individuals involved can be specifically identified with the project or activity;
 - Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
 - The costs are not also recovered as indirect costs.
- As stated in the regulations (**2 C.F.R. §§ 200.413** and **414**), any non-Federal entity that has never received a negotiated indirect cost rate, except State and Local Government and Indian Tribe Indirect Cost Proposals, may elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC) which may be used indefinitely. No documentation is required to justify the 10% de minimis indirect cost rate. As described in **2 C.F.R. § 200.403**, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a recipient chooses to negotiate for a rate, which the recipient may apply to do at any time and which would be applicable to future federal grant awards.
 - All entities who elect to charge a de minimis rate of 10 percent must use the MTDC as the base. MTDC are defined in **2 C.F.R. § 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.
 - If an entity has a negotiated indirect cost rate approved by its cognizant agency, the applicant must include a copy of the approved NICRA. Entities that would like to negotiate an indirect cost rate must contact their cognizant agency. For assignments of cognizant agencies see **2 C.F.R. § 200.1**.

VI. General Application Procedures and Requirements

The application and all application documents are on the ISDA website, www.agri.idaho.gov/rfsi/. Application documents required vary between the Simplified Equipment-Only Grants and Infrastructure Grants. The specified documents are listed in Section VII and Section XIII respectively.

All applications must be completed in full. Any additional material not specifically required will be discarded and not included in the review process.

The Application Template includes various sections that must be filled out with an acceptable narrative of 11 or 12 pitch.

Grant Application Webinars

ISDA will conduct one webinar in January along with three question and answer sessions. The link to participate can be found on www.agri.idaho.gov/rfsi/. Sessions will be recorded and posted on the website as well. Applicants are encouraged to participate.

- Application Webinar
 - January 31, 1:00 pm – 2:30 pm Mountain Time
- Question and Answer Sessions
 - February 7, 1:00 pm – 2:00 pm Mountain Time
 - February 21, 1:00 pm – 2:00 pm Mountain Time
 - March 7, 1:00 pm – 2:00 pm Mountain Time

Unique Identity Identified number (UEI)

Applicants must obtain an Organizational Unique Entity Identifier (UEI) number through SAM.Gov. Applicants are encouraged to apply for a UEI immediately. If you do not have a UEI number assigned to your organization through SAM.Gov, ISDA will accept the application but a UEI number will be required before executing the grant agreement.

Distressed Communities Index

Projects that support underserved communities will receive additional points during the evaluation. Underserved communities are determined by the [Distressed Communities Index](#). In the application, include the primary county or counties being served and insert the Distress Score from the Distressed Communities Index. County level data is required. Do not use zip code data.

Submission Procedures

Applications must be emailed to the department no later than **Friday, March 15, 2024**.

Applicants must include the following information in the body of the email when submitting their application documents:

- Employer/Taxpayer Identification Number (EIN/TIN)
- Business NAICS Code if a for-profit entity

LATE APPLICATIONS WILL NOT BE ACCEPTED.

Applications not adhering to the procedures above will not be considered for funding.

Submit complete applications to:

Idaho State Department of Agriculture
Market Development Division
Attn: Laura Johnson
Email: RFSI@isda.idaho.gov
(208) 332-8533

VII. Simplified Equipment-Only Grant Application Procedures and Requirements

Applications must include the following documents:

- **Application** – Must use the application template and complete all sections
- **Equipment supporting documentation** - Documentation must be submitted to substantiate the costs of each piece of equipment - contracts, catalog pricing, or binding quotes provided by licensed commercial entities.

Equipment

- Indicate anticipated purchases or rental costs of equipment and its intended use. List separately each item of equipment, its intended use, and its cost.
- 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.
- 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).
- The maximum grant amount is \$100,000. If the cost of the equipment exceeds \$100,000, indicate within the equipment justification the source of funds that will be utilized to cover the excess costs.

VIII. Infrastructure Grant Application Procedures and Requirements

Applications must include the following documents:

- **Application** – Must use the application template and complete all sections.
- **Match Verification Letters** for each source of match – Must use the verification letter template provided.
- **Critical Resources and Infrastructure Letter** – applicants must submit a Critical Resources and Infrastructure letter, using the mandatory template provided if critical resources/and or infrastructure are necessary for the completion of the proposed Infrastructure Grant project.
- **NICRA** – if you are claiming indirect costs and have a Negotiated Indirect Cost Rate Agreement (NICRA) negotiated with the Federal Government, you must submit a copy of your NICRA with your Infrastructure Grant application.
- **Letters of support** from entities other than the applicant to demonstrate local support for the project (Optional).

- **Equipment supporting documentation** – If equipment is being purchased, documentation must be submitted to substantiate the costs of each piece of equipment - contracts, catalog pricing, or binding quotes provided by licensed commercial entities.

Matching Funds and Letters of Verification

- Each application must include the total amount of match and how it will specifically align with your requested funding. Additionally, applicants must submit one match verification letter for EACH cash or in-kind resource signed by the matching organization. Applicants are required to use the Match Verification Template Letter on ISDA’s RFSI website.
- Signed Match Verification Letters must accompany the Infrastructure Grant proposal at the time of application.

Critical Resources and Infrastructure

- Evidence of Critical Infrastructure is required if critical resources and/or infrastructure are necessary for the completion of the proposed Infrastructure Grant project. 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 that are necessary for the initiation and completion of the project and certify that they are in place and committed prior to the start date of the project.
- A Critical Resources and Infrastructure Letter, using the mandatory template, must be submitted. The letter shall include a statement about committing/approving/granting permission, etc. of the critical resource or infrastructure to the project for the time period and as well as 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.

Compliance with Federal Laws and Regulations

- Infrastructure Grant Recipients must comply with the National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), Endangered Species Act (ESA), and all other federal environmental laws and regulations.
- States are required to review projects for NEPA compliance prior to the award of Infrastructure Grant subaward funds. Subrecipients will be required to provide additional information and documentation to ISDA to ensure compliance with NEPA prior to the execution of disbursement agreements.

Negotiated Indirect Cost Rate Agreement (NICRA)

- If you are claiming indirect costs and have a Negotiated Indirect Cost Rate Agreement (NICRA) negotiated with the Federal Government, you must submit a copy of your NICRA with your Infrastructure Grant application.

Letters of Support

Letters of support should be submitted with the application to demonstrate local support for the project. While letters of support are not mandatory, failure to have a letter showing local support will hurt your scoring during the selection process.

Build America, Buy America Act

Any public infrastructure project funded under this cooperative agreement 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](#). Public infrastructure projects are defined as follows:

- **Infrastructure** includes, at a minimum, the structures, facilities, and equipment for, in the United States, roads, highways, and bridges; public transportation; dams, ports, harbors, and other maritime facilities; intercity passenger and freight railroads; freight and intermodal facilities; airports; water systems, including drinking water and wastewater systems; electrical transmission facilities and systems; utilities; broadband infrastructure; and buildings and real property. Infrastructure includes facilities that generate, transport, and distribute energy.
- **For-Profit Entities:** BABA is *not applicable to for-profit entities* 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, which is currently set at \$250,000. BABA is not applicable to Equipment Only Grants as they do not surpass this threshold of \$250,000.
- If BABA provisions apply, no USDA funds may be used for a project for infrastructure unless:
 - A. All iron and steel used in the project are produced in the United States. This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
 - B. All manufactured products used in the project are produced in the United States. This means the manufactured product was manufactured in the United States and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and
 - C. All construction materials¹ are manufactured in the United States. This means that all manufacturing processes for the construction material occurred in the United States.
- For additional guidance, see [USDA's Implementation of the Build America, Buy America \(BABA\) Act](#) and 2 CFR Part 184 - BUY AMERICA PREFERENCES FOR INFRASTRUCTURE PROJECTS: <https://www.ecfr.gov/current/title-2/part-184>

Application Budget and Budget Narrative

- Provide sufficient detail in the space provided for each budget category. All requested budget items and activities should correlate to the project purpose, specific issue, objectives and expected outcomes.
- Specify the total expenses for **each** budget category and **show how all numbers were calculated**.
- Specify the match value provided for the relevant budget category. Match is not required for each budget category, but the total match value must meet the minimum total match requirements.
- **Personnel**
For each participant funded with grant monies, indicate their title, the percent of full-time equivalents (FTE) and the corresponding salary for the FTE, or the hourly wage and number of hours spent on the project.
- **Fringe Benefits**
Indicate the rate of fringe benefits for each salary. ISDA allows grant funds to be used toward fringe benefits for those employees listed in the personnel category as performing grant work.

- **Travel**

Indicate the destination, purpose of trip, number of people traveling, number of days traveling, total airfare costs, total ground transportation costs, total lodging and meals costs, and total mileage costs for the travel. Travel expenses must comply with the state of Idaho travel regulations found at www.sco.idaho.gov. Meals are only provided when in official travel status. The per diem allowance will only be paid for travel outside a 50-mile radius of the employee's primary work location and for travel in excess of 12 hours or includes an overnight stay.

- **Equipment**

Indicate anticipated purchases or rental costs of equipment and its intended use. List separately each item of equipment, its intended use, and its cost.

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.

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).

- **Supplies**

Provide an **itemized** list of projected supply expenditures and the **dollar amount for each item**.

- **Construction**

Provide an **itemized** list of projected supply expenditures and the **dollar amount for each item**.

Allowable:

- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, alterations, or construction on an existing building or facility. The construction of new buildings at an existing facility and of wastewater management structures. This also includes construction and construction-related materials, which may include, but are not limited to, the purchase of building materials such as wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, or plumbing.

- **Contractual**

Provide a short description and justification of the services each contractor/consultant covers and the flat rate fee or the total hourly rate. Compensation for individual consultant services should be reasonable and consistent with that paid for similar services in the marketplace. Federal regulations for this grant require contractor/consultant employee rates that do not exceed the salary of a GS-15

step 10 Federal employee in the area (for more information, visit the Office of Personnel Management website at [OPM.gov](https://www.opm.gov)), excluding travel and subsistence costs. Procure contractual services using existing documented procurement procedures which may reflect applicable State, local and tribal law and regulations, provided that the procurements conform to applicable Federal law and the standards 2 CFR§ 200.318 through § 200.327. All procurement documentation must be submitted to ISDA for review and approval before these items will be reimbursed.

- **Other**
Provide detailed descriptions of other costs such as conferences or meetings, communications, rental expenses, advertisements, speaker/trainer fees, publication costs, data collection, and other miscellaneous budgeted costs associated with the project.
- **Indirect Costs**
Enter your indirect cost rate. If a you have a NICRA, you must submit a copy of your NICRA with your Infrastructure Grant application. Otherwise, you may elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC).

IX. Administration of Grants

AMS applies the following federal grant uniform administrative requirements to the management of each grant award, and the Idaho State Department of Agriculture must in turn apply these requirements to subgrantees based on the type of organization through contractual or cooperative linkages. For example, if ISDA sub awards to a non-profit, the administrative requirements applicable to a non-profit will apply. 2 CFR 200—Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. For-profit applicants must also comply with 48 CFR Subpart 31.2.

- State and Local Governments and Indian Tribal Governments- 2 CFR 200
- Colleges and Universities 2 CFR 200
- Non-Profits -2 CFR 200
- For Profits – 2 CFR 200 and 48 CFR 31.2

X. Allowable Costs

All sub awards are subject to those cost principles applicable to the particular organization concerned. For example, if ISDA sub awards to a university, the cost principles applicable to a university will apply. Please refer to the applicable cost principles when developing your project activities and budget. Appendix A describes specific funding restrictions under the Resilient Food Systems Infrastructure Program. However, this section is not intended to be all inclusive. Applicants should consult federal cost principles for the applicable organization for complete explanations of allow ability of costs. Please see 2 CFR 200 for guidance with regard to allowable and unallowable costs for State, local governments, and Indian Tribal Governments; colleges and universities, and non-profits. See 48 CFR 31.2 for guidance with for-profit entities.

XI. Restrictions and Limitations on Grant Funds

The following activities are not eligible for funding:

- Capital expenditures to purchase existing buildings, facilities or land are unallowable.
- Activities that have received a Federal award from another Federal award program;
- Claim expenses that have been or will be reimbursed under any Federal, State, or local government funding; and

- Projects which have already received funding from another federal grant or subaward programs may not receive funding for the same activities through an Infrastructure Grant. However, Infrastructure Grants may build on the successes of prior funding, such as the USDA Regional Food Business Centers Business Builder subawards, to fund subsequent activities.

Funds may not be used for the following:

- Pay costs that have been or will be reimbursed by a third party;
- Pay costs incurred prior to the date the Agreement is executed unless prior approval is granted by AMS;
- Pay costs that support or oppose union organizing;
- Pay costs associated with conducting research and development;
- Pay costs or allow for current market value of property and equipment as eligible total project costs that only support existing processing capacity for a facility; or,
- Support an application (project) that has a proposed period of performance longer than 48 months.
- Grant funds may not be used to fund political activities in accordance with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7321-7326).
- Development or participation in lobbying activities pursuant to 31 U.S.C. 1352, including costs of membership in organizations substantially engaged in lobbying, are unallowable costs.

XII. Selection and Scoring Criteria

A selection committee will be made up of industry representatives and ISDA staff. Reviewers for individual applications will be selected to ensure there are no conflicts of interest. The committee will apply the scoring criteria below to each application.

Criteria for assessing the projects includes:	Maximum Points
Ability to Improve Idaho’s Food System Infrastructure	25
<ul style="list-style-type: none"> - How well does the project expand capacity in the middle of the supply chain for Idaho in local and regional markets? - How significant are the long-term benefits? - How great is the need for the project? Additional criteria for Infrastructure grants only: <ul style="list-style-type: none"> - How relevant is the project to Idaho’s food systems infrastructure? - How effective will the project be at strengthening Idaho’s resilience across the middle-of-the-food-supply-chain? 	
Support of State Funding Priorities	25
How well does the project provide for identified industry priorities? Stakeholder interviews and survey results identified the following funding priorities for Idaho: <ul style="list-style-type: none"> - Expand capacity for food and beverage processing and manufacturing including co-pack facilities - Support construction of a new facility - Modernize or expand an existing facility - Improve the aggregation and distribution of agricultural products to create more and better markets for producers 	

- Improve the transportation of Idaho food products to local or regional markets	
Financial Viability, Technical Feasibility and Readiness	20
<ul style="list-style-type: none"> - How well does the proposed activity address the specified issue or need? - How capable are the project leaders and staff? - Is the equipment cost or budget justified and appropriate? - Does the project support quality jobs? <p>Additional criteria for Infrastructure grants only:</p> <ul style="list-style-type: none"> - How feasible and appropriate are the objectives of the project? - How well does the project leverage available resources? - How financially sound is the project? 	
Market Impact and Opportunities	20
<ul style="list-style-type: none"> - Does the project focus on small and medium-sized enterprises that add options and choices for consumers and producers (emphasis on value-added)? - How great is the potential economic impact on Idaho? - How significant is the number of beneficiaries or local and regional producers impacted? - How significant are the Outcome Indicators? - How significant is the increased potential economic viability of Idaho producers and processors? <p>Additional criteria for Infrastructure grants only:</p> <ul style="list-style-type: none"> - Is there demonstrated local impact and support for the project, including labor and workforce considerations? 	
Benefit to Designated Populations and Underserved Communities	10
<ul style="list-style-type: none"> - Does this project assist underserved farmers and ranchers, new and beginning farmers or ranchers, veteran producers, underserved communities or processors and other middle-of-the-supply businesses owned by socially disadvantaged individuals, as defined by the Small Business Administration (SBA)? - Does the project support cooperatives, farmer-and worker-owned enterprises? - Does the project assist a Distressed Community in Idaho as evidenced by the County Distress Score? A score of 1-20 is "Prosperous", a score of 21-40 is "Comfortable", a score of 41-60 is "Mid-tier", a score of 61-80 is "At Risk", and a score of 81-100 is "Distressed" 	

XIII. Post-Award Management

Subrecipients must ensure they are:

1. Making adequate progress toward achieving the grant project’s goals, objectives, and targets;
2. Expending grant funds in a way that meets provisions of pertinent statutes, regulations, ISDA administrative requirements, and relevant Office of Management and Budget (OMB) circulars;
3. Aware of the requirements imposed upon them by Federal statute and regulations;
4. In compliance with records retention and access requirements;
5. Using federal funds responsibly.

Change in Key Personnel - When it is necessary to change the program contact for a period of more than three (3) months, submit a written request (email is acceptable) to ISDA. Request should contain the new individual's name and contact information.

Objectives - When it is necessary to modify the objectives of the award, submit a written justification for the change, along with the revised grant proposal to ISDA for approval. Changes in Scope or objectives require USDA approval as well. ISDA will submit the revised grant proposal to USDA.

Budget Changes – Where a modification to the approved budget is required, the modification must be approved in writing by the ISDA. Expenses that are not in the original Grant Proposal or budget such as additional travel or additional personnel should be submitted for approval.

Acknowledgement of ISDA and USDA Support – Subaward recipients are expected to acknowledge that funding for the project was provided by the Idaho State Department of Agriculture Resilient Food Systems Infrastructure Grant program in websites, news articles, and other publications. Subaward recipients must also acknowledge USDA:

- As required in 2 CFR § 415.2, grant recipients and subrecipients must acknowledge USDA AMS support in all publications written or published with USDA AMS grant or cooperative agreement support. This includes reports, pamphlets, posters, and brochures, and, if feasible, any publication reporting the results of, or describing, a grant supported activity. Recipients must also acknowledge USDA AMS support on any audio or video product including live or prerecorded radio or television programs, audio recordings and multimedia presentations. The following acknowledgment of USDA funding must appear in all published materials or products, in any format (web sites, audiovisuals, etc.), that are substantially based upon or developed under an AMS award:

“Funding for [Project or Publication] was made possible by a grant/cooperative agreement from the U.S. Department of Agriculture (USDA) Agricultural Marketing Service. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the USDA.”

- Subaward recipients must include the above acknowledgment and are also encouraged to use the USDA logo in the acknowledgment. When using the USDA logo, use the logo acknowledgment images provided by USDA AMS and included on www.agri.idaho.gov/rfsi/.
- Subaward recipients are responsible for ensuring that an acknowledgment of USDA is made during media interviews, including popular media such as radio, television, and news magazines, that discuss work funded by USDA AMS in a substantial way.

XIV. Financial Reporting Requirements

Twenty days after the end of every quarter, each subgrantee must submit a quarterly financial report to ISDA on a quarterly ledger form provided by ISDA upon award. Even if you have zero expenses for the quarter, you must submit the quarterly ledger with “no expenses”.

All financial reports should be emailed to RFSI@isda.idaho.gov

Specific requirements for ledger and backup documentation include the following:

- Ensure costs are reasonable, allowable, and allocable.

- Keep records for at least three years following grant end date.
- Mark A, B, C etc., on ledger receipts to match with corresponding line items on the ledger.
- Must get prior approval to deviate from the initial Grant Proposal or Budget before expenses and ledger can be approved for payment.
- Any questionable costs must be approved by ISDA and documented in the file before that expense and ledger can be approved for payment.
- Submit receipts for all expenses.

Procurement/Bidding

- Procure commercially available goods and services using existing documented procurement procedures which may reflect applicable State, local, and tribal law and regulations, provided that the procurements conform to applicable Federal law and the standards § 200.318 through § 200.327. All procurement documentation must be submitted to ISDA for review and approval before these items will be reimbursed.
- If no existing documented procurement procedures are in place for your organization obtain three written bids for any expenditure of \$15,000.00 or more for software, other property, and a mix of goods and services; OR \$25,000 or more for services only, according to the Idaho Administrative Rules pertaining to the Department of Administration, Division of Purchasing as found in IDAPA 38.05.01, and award the purchase to the lowest acceptable bid. All procurement documentation, including rejected bids must be submitted to ISDA for review and approval before these items will be reimbursed.
- The above procurement requirements must be met even if the vendor is specified in advance in the grant proposal.

Equipment Purchases

- Make sure all equipment costs correlate with what is written in the Grant Proposal and budget.
- If any individual equipment purchase exceeds \$15,000, procurement documentation must be submitted before expenses are paid.
- Special Purpose vs General Purpose – Only special purpose equipment is allowed under the grant. General purpose equipment is unallowable.
- Annual inventory tracking for equipment is required, even after the close of the grant. A form will be provided each year by ISDA to verify location of equipment. Ownership of equipment must be retained for life. There are stringent disposal procedures required by USDA. If a subrecipient needs to dispose of equipment purchased with grant funds, please contact ISDA well in advance for specific procedures.

For Infrastructure Grants Only:

Personnel/salary/fringe

- Must provide payroll reports that show employees paid, dollar amount paid for each (broken down between salary and fringe), time period or pay date for each period paid, and grand total salary and fringe costs, that match what was reported on the ledger.
- Provide timesheets or reports (can be incorporated into the payroll report) that show each employee's hours worked for each pay period that is included in the ledger request for hourly employees.
- Institutes of Higher Education may submit an affidavit certifying a salaried exempt faculty member's activities worked on the grant as a % of FTE that is being charged to the project. One must be submitted for each salaried exempt faculty member with every ledger.
- If there are any deviations from Grant Proposal and budget on who is doing work on the grant, you must let ISDA know before requesting it on ledger for payment.

Travel

- All travel must meet the State Travel Policy requirements. See: <http://www.sco.idaho.gov/web/sbe/sbeweb.nsf/pages/trvlpolicy.htm>
- Check all travel costs against what was written in your Grant Proposal (i.e. mode, type, timeframes, conferences identified, etc.).
- Individuals who travel must match the individuals written in the Grant Proposal (i.e. employee A was identified as the sole traveler but travel costs for other employees are included - these would not be allowed without first asking for approval). Must get prior approval before deviations from Grant Proposal can occur.
- Vehicles - If you are claiming mileage for travel, then you cannot also claim direct vehicle expenses such as fuel, lube, etc. It is one or the other, but not both. If there are direct expenses such as lube and fuel for equipment such as tractors, then please explain on the receipt or ledger.
- For mileage, you will need to keep a log which has date, time, miles and vehicle. ISDA will only reimburse mileage up to the Federal mileage rate applicable during the time period mileage is being claimed.
- Foreign Travel - Allowable with prior approval from both USDA and ISDA. Each separate foreign trip must receive prior approval from USDA.
- Out of State Travel - Allowable with prior approval from ISDA. During project you must get prior approval for out of state travel, if not included in the Grant Proposal or budget.

Airfare

- All airfares must be included in the budget; if not, prior approval from ISDA is required to make adjustments. USDA approval is required for each foreign trip.
- For foreign travel, must also comply with the Fly America Act, 49 U.S.C. 40101 et. seq. Use United States and EU member air carrier service for all travel and cargo transportation services funded by the United States Government. When traveling between countries, if there is not U.S.

Carrier available, a foreign carrier may be used. If it is a code share, the flight must be booked with the U.S. carrier flight number.

- Must provide receipt that shows all payments for flights and itineraries.
- Documentation must show that the upgrade was paid separately.
- Any deviation must print quote for unrestricted flight on same day of purchase (date will be on printed copy).

Meals

- Allowable if included in Grant Proposal and budget. Meals will be reimbursed at the per diem rate & sub-recipient must reimburse the traveler at the per diem rate as well.
- Allowable for meals consumed while in official travel status. The per diem allowance will only be paid for travel outside a 50-mile radius of the employee's primary work location and for travel in excess of 12 hours or includes an overnight stay.
- Meals not related to travel please contact ISDA for additional guidance.

Contractual Costs

- When submitting contractual costs, make sure they match what was written in the Grant Proposal and budget.
- Major contracts (\$15,000 for software, other property, and a mix of goods and services OR \$25,000 for services only) require a copy of the contract between the sub recipient and the contractor, in addition to copies of the procurement documents.
- Per I.C. 67-2332, a copy of the contract is needed for agreements between state agencies.

Matching Funds

- Cash and In-kind match documentation must be provided quarterly as committed and specified in the Grant Proposal. ISDA will work with you to determine the specific backup documents required depending upon the specific match items committed in your Grant Proposal.
- Submit your match during the quarters they take place. Do not wait until the last quarter to submit all match.
- Other federal funds cannot be used as match for the RFSI grant.

XV. Performance and Audit Reporting Requirements

Annual Performance Report

An Annual Performance Report is due June 15 of each year. The Annual Performance Report will include reporting on the expected performance measures and must be completed using the template provided by ISDA. Templates are available on the ISDA website at www.isda.idaho.gov/rfsi/.

Final Performance Report

A Final Performance Report will be due June 15 of the final year of performance. The Final Performance Report must be completed using the template provided on the ISDA website at www.isda.idaho.gov/rfsi/.

All written performance reports should be emailed to RFSI@isda.idaho.gov

Subgrantees Single Audit Requirements: Letters will be sent to all ISDA subgrantees certifying whether or not they are required to receive a single audit. The Federal Office of Management and Budget (OMB), 2 CFR § 200 Subpart F - Audit Requirements states that “a non-Federal entity that expends \$750,000 or more during the non-Federal entity’s fiscal year in Federal awards must have a single or program-specific audit conducted for that year.” If a subgrantees is required to receive a single audit, they must provide a copy of the audit results on an annual basis throughout the term of the grant to ISDA. If there are any material findings related to the RFSI grant, they must provide a corrective action plan to ISDA. ISDA will follow up with subgrantees annually to make sure this requirement is satisfied.

XVI. Request for Payment

Funds will be dispersed to grant recipients on a reimbursement basis following the end of each quarter, and upon submission and approval of quarterly ledger and acceptable supporting documentation including, but not limited to, time sheets, payroll registers, receipts, invoices, and check stubs. The first quarter in which funds may be available, depending upon the complete execution of the disbursement agreement, is the quarter ending December 31, 2024.

XVII. Records Retention

In accordance with Federal regulations, grant recipients shall retain all records relating to the grant for a period of three years after the final financial status report from USDA has been received by ISDA, or until final resolution of any audit finding or litigation. Because records must be retained according to when ISDA receives a final report, the required retention date could be more than four years after the subgrantee’s grant end date. ISDA will notify subgrantees when the report is received.

See 2 CFR § 200.334 for exceptions and qualifications to the retention requirement and period for other types of grant-related records, including property records.

XVIII. Disposition of Improved Properties

The recipient cannot encumber property improved as part of the cooperative agreement award and must follow the requirements of [2 CFR §200.311](#) before disposing of the property. The real property will be used for the originally authorized purpose as long as needed for that purpose. When real property is no longer needed for the originally authorized purpose, the recipient must obtain disposition instructions from ISDA (provided by AMS). The following alternatives will apply:

1. Retain title after compensating the Federal awarding agency as described in 2 CFR Part 200.311(c)(1);
2. Sell the property and compensate the federal awarding agency as specified in 2 CFR Part 200.311(c)(2); or
3. Transfer the title to the Federal awarding agency or to a third Party designated/approved by the Federal awarding agency as specified in 2 CFR Part 200.311(c)(3).

XIX. Definitions

Beginning Farmer or Rancher is an individual or entity that has not operated a farm or ranch for more than 10 years and substantially participates in the operation.

Cooperatives: A business or service organization (1) that is owned and democratically controlled by the people who use its services and (2) whose benefits (services received and earnings allocations) are distributed to the user-owners based on how much they use the cooperative.

Critical Resources: Critical resources and infrastructure can be facilities, land, structure, use of city street/parks, shared-used kitchen, and/or other resources that are essential for the proposed project activities.

Domestically owned: An entity organized in the United States under the law of the State, the states, or under Tribal jurisdiction where the entity operates, and a majority of the entity is owned by US citizens.

Food Access Considerations: Distinct cultural markets, marginalized communities, or defined by USDA as low-income low access.

Hazard Analysis and Critical Control Points (HACCP): HACCP provides a framework for establishments to conduct science-based process controls that can be validated as effective in eliminating, preventing, or reducing to an acceptable level the food safety hazards that are reasonably likely to occur in an official establishment's particular production processes.

Historically Underserved Farmer or Rancher: Four groups are defined by USDA as "Historically Underserved," including farmers or ranchers who are: Beginning; Socially Disadvantaged; Veterans; and Limited Resource as described at "**Historically Underserved Farmers and Ranchers**" | **Natural Resources Conservation Service (usda.gov)**.

Institutions: These include organizations such schools (K-12; colleges/universities), hospitals, food banks, gleaners, food rescue, workplace cafeterias, prisons, and care centers (senior, preschools).

Intermediaries: Includes aggregators, distributors, food hubs, brokers, auction houses, and wholesale.

Mid-Size Producers: USDA defines small family farms as those with a Gross Cash Farm Income (GCFI) of less than \$350,000; mid-size farms have a GCFI of \$350,000 to \$999,999.

Nonprofit Corporations: Any organization or institution, including nonprofits with State or IRS 501 (c) status and accredited institutions of higher education, where no part of the organization or institution's net earnings inure to the benefit of any private shareholder or individual.

Retail: Includes businesses such supermarkets, restaurants and caterers, and direct and other to retail markets (food cooperatives, small independent grocers, corner stores).

Small Disadvantaged Business: A business that is small according to SBA's size standards for its business type and that is 51% or more owned and controlled by one or more disadvantaged persons. The disadvantaged person or persons must be socially disadvantaged and economically disadvantaged. For the purposes of this designation, disadvantaged persons is defined per [eCFR: 13 CFR 124.103 -- "Who is](#)

[socially disadvantaged?](#)" as "Those who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identities as members of groups and without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control." See "[Small Disadvantaged Business](#)" ([sba.gov](#)) for more information.

Tribal Entities: Tribal Entities is expansive and includes all entities falling under the eligible legal structures, including but not limited to: tribal owned corporations, intertribal non-profits and associations, Alaska Native Corporations, Native entities within the State of Alaska recognized by and eligible to receive services from the U.S. Department of the Interior's Bureau of Indian Affairs, Native Hawaiian organizations including Homestead Associations, State recognized tribes/non-profits, and individually-owned Native American entities.

Tribe: means the term as defined in the Federally Recognized Indian Tribe List Act of 1994 (Public Law 103-454; 108 Stat. 4791, 4792).

Value-Added Agricultural Product: means any agricultural commodity or product that:

- Has undergone a change in the physical state or form of the product, such as milling wheat into flour or making strawberries into jam.
- Is produced in a manner that enhances the value of the agricultural commodity or product.
- Is physically segregated in a manner that results in the enhancement of the value of that commodity or product, such as an identity preserved product.
- Is a source of farm- or ranch-based renewable energy, including E-85 fuel; or
- Is aggregated and marketed as a locally produced agricultural food product and, as a result of the change in physical state or the manner in which the agricultural commodity or product is produced and segregated, the customer base for the commodity or product is expanded and a greater portion of revenue derived from the marketing, processing, or physical segregation is made available to the producer of the commodity or product.

Veteran Farmer or Rancher: is a producer who served in the United States Army, Navy, Marine Corps, Air Force, or Coast Guard, including the reserve component thereof, was released from service under conditions other than dishonorable, and has not operated a farm or ranch or has operated a farm or ranch for no more than 10 years or who first obtained status as a veteran during the most recent 10-year period.

Veteran-Owned Small Business: A small business, as defined by the SBA size standard for its business type that has no less than 51% of the business owned and controlled by one or more veterans. For those veterans who are permanently and totally disabled and unable to manage the daily business operations of their business, their business may still qualify if their spouse or appointed, permanent caregiver is assisting in that management. See "[Veteran contracting assistance programs](#)" ([sba.gov](#)) for more information.

Women-Owned Small Business: A small business according to SBA size standards for its business type that is at least 51% owned and controlled by women who are U.S. citizens; and have women manage day-to-day operations who also make long-term decisions. See "[Women-Owned Small Business Federal Contract program](#)" ([sba.gov](#)) for more information.

XVIII. ISDA RFSI Grant Contact

Applications should be emailed to:

Idaho State Department of Agriculture, Market Development Division

Attn: Laura Johnson

Email: RFSI@isda.idaho.gov

Tel: (208) 332-8533

Appendix A: List of Selected Costs Contained in OMB Cost Principles Regulations

ALLOWABLE AND UNALLOWABLE COSTS AND ACTIVITIES

All RFSI awards are subject to the most recent AMS [General Award Terms and Conditions](#), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR part 200](#)), and other laws and regulations affecting Federal assistance.

In addition to the AMS General Terms and Conditions, program specific terms and conditions apply to the Resilient Food Systems Infrastructure Program (RFSI). If there are any differences between the AMS General Terms and Conditions and the RFSI Program-specific Terms and Conditions, the RFSI Program Specific Terms and Conditions take precedence.

The table below on page 21 summarizes the specific allowable and unallowable costs within the RFSI Program Specific Terms and Conditions. See [RFSI Specific Terms and Conditions](#) for additional details.

Pages 22-28 summarize the allowable and unallowable costs within the AMS General Award Terms and Conditions. This section is not intended to be all-inclusive. Consult the Federal Cost Principles ([Subpart E-Cost Principles of 2 CFR § 200](#)) for the complete explanation of the allowability of costs.

PROGRAM SPECIFIC ALLOWABLE AND UNALLOWABLE COST AND ACTIVITIES FOR RFSI GRANTS

Cost Category	Description, Guidance and Exceptions
<p>Buildings and Land—Construction and/or Renovation</p>	<p>Allowable:</p> <ul style="list-style-type: none"> • Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, alterations, or construction on an existing building or facility. The construction of new buildings at an existing facility and of wastewater management structures. This also includes construction and construction-related materials, which may include, but are not limited to, the purchase of building materials such as wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, or plumbing.
<p>Equipment</p>	<p>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:</p> <p>Allowable:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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. <p>Unallowable:</p> <ul style="list-style-type: none"> • 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).
<p>Compensation for Damage</p>	<p>Unallowable:</p> <ul style="list-style-type: none"> • Compensation for injuries or damage to property arising from project activities.
<p>Purchases of Land, Buildings, and Facilities</p>	<p>Unallowable:</p> <ul style="list-style-type: none"> • Purchase of land, new buildings, and new facilities
<p>Marketing Costs</p>	<p>Unallowable:</p> <ul style="list-style-type: none"> • Recipients to use funds for marketing their product(s)/services(s) or organization.

General Award Terms and Conditions:

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Advisory Councils	ALL	Unallowable for costs incurred by advisory councils or committees.
Alcoholic Beverages	ALL with exceptions	Unallowable for alcoholic beverages unless the cost is associated with fulfilling the purpose of the grant program and either approved in the application or with prior written approval.
Buildings and Land – Construction	ALL	<p>Unallowable for the acquisition of buildings, facilities, or land or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations of an existing building or facility (including site grading and improvement, and architecture fees). This also includes construction and construction-related materials, which may include, but are not limited to, the purchase of building materials such as wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, or plumbing.</p> <p>Allowable for rental costs of land and building space. However, lease agreements to own (i.e., lease-to-own or rent-to-own) are not allowable. The lease or rental agreement must terminate at the end of the grant cycle. A building is any permanent structure designed or intended for support, enclosure, shelter, or protection of people, animals, or property, and having a permanent roof supported by columns or walls.</p>
Conferences	ALL with exceptions	<p>Allowable if the conference fulfills the purpose of a grant program’s legislated purpose. Allowable conference costs paid by the non-Federal recipient as a sponsor or host of the conference may include rental of facilities, speakers’ fees, costs of meals (see Meals for restrictions), and refreshments, local transportation, and other items incidental to such conferences with the exception of entertainment costs that are unallowable. If registration fees are collected, the recipient must report fees as program income (see Program Income).</p> <p>Allowable to rent a building or room for training; however, where appropriate, AMS encourages the use of technologies such as webinars, teleconferencing, or videoconferencing as an alternative to renting a building or a room. The recipient should use the most cost-effective facilities, such as State government conference rooms if renting a building or a room is necessary.</p>
Contingency Provisions	ALL	Unallowable for miscellaneous and similar rainy-day funds for events the occurrence of which cannot be foretold with certainty as to the time or intensity, or with an assurance of their happening. Unallowable for working capital for activities/items not already in place.
Contractual/Consultant Costs (Professional Services)	ALL	<p>Allowable subject to limitations. Contractual/consultant costs are expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the recipient in the form of a procurement relationship.</p> <p>Allowable for contractor/consultant employee rates that do not exceed the salary of a GS-15 step 10 Federal employee in the area (for more information, visit the OPM website) and travel that is reasonable and necessary. This does not include fringe benefits, indirect costs, or other expenses. If rates exceed this amount, the recipient is required to justify the allowability of the cost aligning with 2 CFR §§ 200.317-327.</p>
Contributions or Donations	ALL	Unallowable for contributions or donations, including cash, property, and services, made by the recipient to other entities. An NFE using grant funds to purchase food or services to donate to other entities and/or individuals is unallowable.
Electronic Benefit Transfer (EBT) Machines	ALL	Unallowable for the purchase/lease of Supplemental Nutrition Assistance Program (SNAP) EBT equipment.

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Entertainment Costs	ALL with exceptions	<p>Unallowable for entertainment costs including amusement, diversion, and social activities and any costs directly associated with such costs (such as bands, orchestras, dance groups, tickets to shows, meals, lodging, rentals, transportation, and gratuities). Entertainment costs are defined in 2 CFR § 200.438.</p> <p>Allowable where the specific cost is considered to meet the requirements of the sponsored program and are authorized in the approved budget or with prior written approval.</p>
Equipment	ALL	<p>Unallowable for acquisition costs of general purpose equipment or lease agreements to own (i.e., lease-to-own or rent-to-own).</p> <p>Allowable for rental costs of general purpose equipment when provided in the approved budget or with prior written approval. Vehicles may be leased but not purchased. The lease or rental agreement must terminate at the end of the grant cycle.</p> <p>For vehicle and equipment leases or rentals with an acquisition cost that equals or exceeds \$5,000, rates should be in light of factors such as: rental costs of comparable vehicles and equipment, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the vehicle or equipment leased.</p> <p>Allowable when provided in the approved budget or with prior written approval for acquisition costs and rental costs of special purpose equipment provided the following criteria are met:</p> <ol style="list-style-type: none"> 1) Necessary for the research, scientific, or other technical activities of the grant agreement; 2) Not otherwise reasonably available and accessible; 3) The type of equipment is normally charged as a direct cost by the organization; 4) Acquired in accordance with organizational practices; 5) Must be used solely to meet the legislative purpose of the grant program and objectives of the grant agreement; 6) More than one single commercial organization, commercial product, or individual must benefit from the use of the equipment; 7) Must not use special purpose equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services; and 8) Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR § 200.313 as applicable. <p>Definitions</p> <p>Equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the NFE for financial statement purposes, or \$5,000.</p> <p>Acquisition cost means the cost of the asset including the cost to prepare the asset for its intended use. Acquisition cost for equipment is the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for its acquired purpose.</p> <p>General Purpose Equipment means equipment that is not limited to technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.</p> <p>Special Purpose Equipment is equipment used only for research, scientific, or technical activities.</p>

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Equipment – Information Technology Systems and Telecommunications	ALL	<p>Unallowable for information technology systems having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established in accordance with GAAP by the recipient for financial statement purposes or \$5,000. Acquisition costs for software include those development costs capitalized in accordance with GAAP.</p> <p>Information technology systems include computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. Examples of unallowable information technology systems include service contracts, operating systems, printers, and computers that have an acquisition cost of \$5,000 or more. See also special prohibition on the purchase of certain telecommunications and video surveillance described in 2 CFR §200.216.</p> <p>Allowable for website development, mobile apps, etc., that are not considered to be information technology systems but rather social media applications.</p>
Farm, Gardening, and Production Activities and Supplies	ALL with exceptions	<p>Unallowable for farm, gardening, and production activities, materials, supplies, and other related costs including but not limited to soil, seeds, shovels, gardening tools, greenhouses, and hoop houses.</p> <p>Allowable where the specific cost is considered to meet the requirements of the sponsored program and is authorized in the approved budget or with prior written approval.</p>
Fines, Penalties, Damages and Other Settlements	ALL	<p>Unallowable for costs resulting from violations of, alleged violations of, or failure to comply with, Federal, State, tribal, local, or foreign laws and regulations.</p>
Fixed Amount Subawards	ALL with exceptions	<p>Unallowable for cost related to fixed amounts subawards.</p> <p>Allowable to meet the requirements of the sponsored program (noncompetitive) and with prior written approval. A pass-through entity may provide subawards based on fixed amounts up to the simplified acquisition threshold, provided that the subawards meet the requirements for fixed amount awards in 2 CFR § 200.201.</p>
Fundraising and Investment Management Costs	ALL	<p>Unallowable for organized fundraising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, regardless of the purpose for which the funds will be used. This includes salaries of personnel involved in activities to raise capital.</p>

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
General Costs of Government	ALL	Unallowable for: <ol style="list-style-type: none"> 1) Salaries and expenses of the Office of the Governor of a State or the chief executive of a local government or the chief executive of an Indian tribe; 2) Salaries and other expenses of a State legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction; 3) Costs of the judicial branch of a government; 4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in 2 CFR § 200.435 Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements); and 5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.
Goods or Services for Personal Use	ALL	Unallowable for costs of goods or services for personal use of the recipient's employees regardless of whether the cost is reported as taxable income to the employees.
Indirect Costs – Unrecovered	ALL with exceptions	Unallowable for unrecovered indirect costs. Allowable for projects with match requirements to use unrecovered indirect costs as part of cost sharing or matching.
Insurance and Indemnification	ALL	Allowable when provided in the approved budget or with prior written approval as indirect costs for insurance and indemnification.
Lobbying	ALL	Unallowable as defined in 2 CFR § 200.450 .
Meals	ALL	Unallowable for business meals when individuals go to lunch or dine together although no need exists for continuity of a meeting. Such activity is considered an entertainment cost. Unallowable for conference attendee breakfasts. It is expected attendees will have adequate time to obtain this meal on their own before a conference begins. Unallowable for meal costs that duplicate a meeting participant's per diem or subsistence allowances. Allowable for lunch or dinner meals if the costs are reasonable, and a justification is provided that such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants. Allowable for meals consumed while in official travel status. They are considered per diem expenses and should be reimbursed in accordance with the organization's established written travel policies.
Memberships, Subscriptions, and Professional Activity Costs	ALL	Unallowable for costs of membership in any civic or community organization. Allowable for costs of membership in business, technical, and professional organizations when provided in the approved budget or with prior written approval.

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Organization Costs	ALL	Unallowable for costs of investment counsel and staff and similar expenses incurred to enhance income from investments. Allowable with prior approval for organization costs per 2 CFR § 200.455 .
Participant Support Costs	ALL	Allowable when provided in the approved budget or with prior written approval for such items as stipends or subsistence allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with approved conferences, training projects, surveys, and focus groups.
Political Activities	ALL	Unallowable for development or participation in political activities, in accordance with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and §§ 7324-7326).
Pre-Award Costs	ALL	Allowable when provided in the approved budget or with prior written approval of such costs are necessary for efficient and timely performance of the project's scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award. If charged to the award, these costs must be charged to the initial budget period of the award, unless otherwise specified by AMS. A recipient may incur pre-award costs 90 calendar days before the award. Expenses more than 90 calendar days pre-award require prior approval. These costs and associated activities must be included in the recipient's project narrative and budget justification. All costs incurred before the award are at the potential recipient's risk. The incurrence of pre-award costs in anticipation of an award imposes no obligation on AMS to award funds for such costs.
Printing and Publications	ALL	Allowable to pay the cost of preparing informational leaflets, reports, manuals, and publications relating to the project; however, the printing of hard copies is discouraged given the prevalence of electronic/virtual publication means. If charged to the award, these costs must be charged to the final budget period of the award, unless otherwise specified by AMS.
Rearrangement and Reconversion Costs	ALL	Allowable as indirect costs with prior approval for cost incurred for ordinary and normal rearrangement and alteration of facilities. Allowable as direct costs with prior approval for special arrangements and alterations costs incurred specifically for the award. Rearrangement and reconversion costs are those incurred in restoring or rehabilitating the non-Federal entity's facilities to approximately the same condition existing immediately before the start of the grant agreement, less costs related to normal wear and tear.
Salaries and Wages	ALL	Allowable as part of employee compensation for personnel services in proportion to the amount of time or effort an employee devotes to the grant-supported project or program during the period of performance under the Federal award, including salaries, wages, and fringe benefits. Such costs must be incurred under formally established policies of the organization, be consistently applied, be reasonable for the services rendered, and be supported with adequate documentation. Salary and wage amounts charged to grant-supported projects or programs for personal services must be based on an adequate payroll distribution system that documents such distribution in accordance with generally accepted practices of like organizations. Standards for payroll distribution systems are contained in the applicable cost principles (other than those for for-profit organizations). Unallowable for salaries, wages, and fringe benefits for project staff who devote time and effort to activities that do not meet the legislated purpose of the grant program.

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Selling and Marketing Costs – Promotion of an Organization’s Image, Logo, or Brand Name	ALL	Unallowable for costs designed solely to promote the image of an organization, a general logo, or a general brand. 1) Promotional items could say “Buy STATE/COUNTY Grown Apples” but not “XYZ Grown”, which promotes XYZ generically. 2) A promotional campaign to increase producer sales of “STATE/COUNTY Grown fruits and vegetables” is acceptable while increasing membership in “STATE/COUNTY Grown” generally is not.
Selling and Marketing Costs – Promotion of Venues that do not Align with Grant Program Purpose	ALL	Unallowable for costs for promotion of specific venues, tradeshow, events, meetings, programs, conventions, symposia, seminars, etc. that do not align with the legislated purpose of the grant program.
Selling and Marketing Costs – Promotional Items, Gifts, Prizes, etc.	ALL with exceptions	Unallowable for promotional items, swag, gifts, prizes, memorabilia, and souvenirs. Allowable with conditions to meet the requirements of the sponsored agreement, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional items include point-of-sale materials, promotional kits, signs or streamers, automobile stickers, table tents, and placemats, or promotional items of a personal nature (e.g., t-shirt, hats, etc.).
Selling and Marketing Costs – Coupons, Incentives or Other Price Discounts	ALL	Unallowable for costs of the value of coupon/incentive redemptions or price discounts (e.g., the \$5.00 value for a \$5.00 clip-out coupon). Allowable for costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (e.g., a print advertisement that contains a clip-out coupon) as long as they benefit more than a single program or organization.
Selling and Marketing Costs – Food for Displays, Tastings, Cooking Demonstrations	ALL with exceptions	Unallowable for purchasing food for displays, tastings, and cooking demonstrations. Allowable where the specific cost is considered to meet the programmatic purpose of the sponsored program and is authorized in the approved budget or with prior written approval.
Selling and Marketing Costs – General Marketing Costs	ALL with exceptions	Unallowable for costs designed solely to promote the image of an organization, general logo, or general brand. Allowable for costs designed to promote products that align with the purpose of the grant program.
Selling and Marketing Costs – Sponsorships	ALL	Unallowable for costs associated with sponsorships. A sponsorship is a form of advertising in which an organization uses grant funds to have its name and/or logo associated with certain events and where the organization does not necessarily know how the funds associated with sponsorship costs will be used. These costs also benefit only the organization offering funding, limiting the beneficiaries to the sponsor organization.
Selling and Marketing Costs – Use of Meeting Rooms, Space, exhibits that do not Align with Grant Program Purpose	ALL	Unallowable for costs associated with trade show attendance/displays, meeting room reservations, and/or any other displays, demonstrations, exhibits, or rental of space where activities do not specifically align with the purpose of the grant program. See Conferences for more information.

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
<p>Supplies and Materials, Including Costs of Computing Devices</p>	<p>ALL</p>	<p>Allowable for costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award. Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs. Only materials and supplies used for the performance of a Federal award may be charged as direct costs.</p> <p>A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the recipient for financial statement purposes or \$5,000, regardless of the length of its useful life. In the specific case of computing devices, charging as a direct cost is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award. Where Federally donated or furnished materials are used in performing the Federal award, such materials will be used without charge.</p>
<p>Training</p>	<p>ALL</p>	<p>Allowable when the training is required to meet the objectives of the project or program, including training that is related to Federal grants management.</p>
<p>Travel – Domestic and Foreign</p>	<p>ALL</p>	<p>Allowable for travel, when provided in the approved budget or with prior written approval when costs are limited to those allowed by formal organizational policy and the purpose aligns with the legislated purpose of the program.</p> <p>The allowable travel cost of recipients that do not have formal travel policies and for-profit entities may not exceed those established by the Federal Travel Regulation, issued by General Services Administration (GSA), including the maximum per diem and subsistence rates prescribed in those regulations. If a recipient does not have a formal travel policy, those regulations will be used to determine the amount that may be charged for travel costs.</p>