

Missouri Meat & Poultry Processing Grant Program FAQ's

1. I qualify for this grant and would like to use it to purchase new equipment. I've been told by the company that my equipment will not be shipped to me until the end of the year. Can I still buy it?

Yes. The purchase must be made (cost incurred) by November 15, 2020. It is acceptable to receive and install equipment beyond the grant period. MDA staff will follow up with you at a later time to ensure the equipment was received and installed as agreed upon.

2. I'm custom exempt and would like to order some equipment totaling upwards of the \$20,000 grant maximum. If the department receives numerous applications and the amount I'm awarded ends up being significantly lower than requested, could I use that money on something else?

Post-award budget amendments may be available depending on the circumstances and the applicability of the substitute cost to the original project scope. If the original project scope is to expand capacity, the amended budget must still support expanding capacity.

3. In reading the guidelines, the November 15 date is set as " November 15, 2020 | Last day that eligible expenses may be incurred for reimbursement. (Expenses may be incurred from March 1, 2020 – November 15, 2020) "If applications are for extensive facility upgrades, how does one completely incur all eligible expenses by that date?

Award announcements should be made by September 15, 2020 giving grantees two months to incur project costs. MDA recognizes this is a tight timeline, but all applicants should plan projects to meet this timeline.

4. What is a proof of a " grant of inspection"?

Whenever you fill out an application for State Meat and Poultry Inspection, MDA staff will review your application and, if approved, send you a form entitled "Grant of Inspection." This form will be signed by the Director of the Missouri Meat and Poultry Inspection Program, and can be provided for MPP grant purposes. Similarly, a facility may complete an application for exemption and will receive a "Grant of Exemption" form.

5. I'm looking to apply for a grant of exemption and expand a facility I currently own; however, I am not yet licensed as a business. Am I still eligible?

Applicants may apply for the grant program while still obtaining the appropriate business licensure. MDA staff will follow up with you at a later time to ensure licensure was achieved.

6. I'm going to rent space in a facility that is applying for grant funding to do my own processing. Can I qualify for the grant as a separate entity?

In this situation, the rented space would operate under the same grant of inspection as the larger facility. Therefore, the operation taking place in the rented space would be considered

an expansion of services and therefore could qualify but not as a separate entity. The qualifying expenses of the rented space would work to hit the cap of the facility as a whole.

7. What kind of equipment is allowable under this grant?

Equipment must be utilized to expand capacity and resiliency in your processing facility. There are no unallowable types of equipment, but the proposed purpose and use for the equipment must be defined in the application.

8. If equipment is ordered and the company discontinues the model, or the equipment is no longer available for whatever reason after award, will we be able to substitute that model for a different model number from another vendor within the cost of the original budget?

Yes. We recommend you use generic language in your budget proposal because MDA expects you to utilize your internal procurement procedures. Rather than listing specific brand names and model numbers, describe the equipment and the functionality needed. For instance, instead of "Morse Forklift Karrier 285A-BP 55 gallon," use the more generic term "Class II Forklift."

9. Can I purchase used equipment vs. new equipment?

Yes. As long as you are able to provide supporting documentation of the purchase.

10. Are entities that are planning to open a new meat processing facility eligible for the grant?

Yes, but it should be noted that they will be required to have their grant of inspection (or exemption) in-hand by November 30, 2020.

11. If they are eligible for the grant, at what point in the process of pre-opening should they be in?

We won't be able to reimburse any expenses until they have the grant of inspection or exemption in-hand, so they will need to be pretty close.

12. Can an entity with the intent to open a new plant use the grant to purchase equipment for the new plant even if the plant will not be open for business prior to the November 15/30 deadline?

As long as they have their grant of inspection or exemption by the deadline, they can purchase the equipment and incur the cost before November 15 in order to receive reimbursement. MDA will check in at a later date to ensure the equipment was installed and is in-use.

13. Is there a deadline for a new plant to be operational in regards to the grant?

No deadline to be operational, but please be aware that every awardee will enter into a grant agreement with the department and thus be required to provide evidence of project completion. Grantees who accept the funds before they are operational will assume the risk of having to pay back the funds if the project falls through for any reason.

14. On page 5 of the Application Guidelines, the Grant Participation Process says in line 6a that the final report due on 11-30-2020 should include photos of the *completed* project. The money will be expended by the November 15th deadline but the project won't be completed by November 30th. Am I still eligible?

Costs must be incurred by November 15 in order for us to reimburse them. If the project is not physically complete by November 30, an awardee would simply note that in their final report and MDA staff will follow up at a later time to ensure project completion and to acquire photos.

15. Can a processor request reimbursement from the grant for money spent to pay off loans on equipment early?

If the facility has a loan for equipment purchased prior to March 1, 2020, we could not pay off that loan to free up cash for a new loan.

If the facility has taken out a loan to purchase equipment between March 1 and November 15, 2020 in response to COVID-19, we could reimburse them (the facility) for the amount of the equipment. We couldn't pay any interest or any fees, and we couldn't pay the lender, but we could reimburse the facility for the cost of the equipment, allowing them to pay off the loan.

16. Do equipment payments made between March 1 and Nov 15 for equipment originally obtained prior to March 1 qualify for the grant?

No, they do not. The purchase of equipment must be tied to the COVID-19 response.

17. Will this grant be available in 2021?

At this point we anticipate this being a one-time only program. Because it is funded through the CARES Act and directly in response to COVID-19, we do not expect future rounds of funding for this program.

18. Is there a lifespan (length of time that you must operate as a state inspected plant) if you receive grant money? If so, how long is it?

There is no lifespan requirement for this grant as this is a short-term, CARES Act-funded program designed to increase capacity and resiliency within food systems.

19. When documentation is submitted in November, will that be submitted electronically?

Yes, we will be accepting reimbursement requests and other documentation electronically in November. If it's not possible for a grantee to submit something electronically, we can make arrangements to have those documents mailed.

20. If a processor does not receive the letter back from DOR stating they are in good standing regarding taxes before grant submittal deadline, what should they do?

A processor can go to dor.mo.gov and receive a certificate of No Tax Due online. That may be a better option than submitting the Form 943.

21. Are payments from the Meat & Poultry Processing Grant considered taxable income?

Yes. Neither federal nor state law provides an exclusion from gross income. Each recipient will receive a Form 1099-G. It is advised that applicants speak with their accountants prior to application submission to determine how an award may impact the company.