

Fiscal Year 2024 (FY24)
NMDA’s Healthy Soil Program **ELIGIBLE ENTITY grants**
Frequently Asked Questions (FAQ)

THE BASICS..... 1
APPLYING FOR A GRANT..... 2
REQUIRED AS YOUR FIRST PROJECT ACTIVITY:
SOIL ASSESSMENT AND SOIL TESTING 2
PROJECT BUDGET 3
APPLICATION SUBMISSION, REVIEW, AND SELECTION..... 5
IF YOUR PROJECT IS AWARDED A HEALTHY SOIL PROGRAM GRANT 6
IMPORTANT PROGRAM DATES 7
FOR MORE INFORMATION..... 8

THE BASICS

1. What is an Eligible Entity?

A: As defined in the Healthy Soil Act, an Eligible Entity is “a local **governmental** entity with proven land management capacity to support healthy soil”, including:

- Pueblos, tribes, and nations
- Acequias
- Land grants
- Soil and water conservation districts (SWCDs)
- NMSU’s Cooperative Extension Service
- Other local governmental entities with proven land management capacity to support healthy soil

2. What kinds of projects can an Eligible Entity implement utilizing Healthy Soil Program grant funding?

A: NMDA will consider proposed projects that implement one or more of the five soil health principles:

1. Keeping soil covered
2. Minimizing disturbance on cropland and minimizing external inputs
3. Maximizing biodiversity
4. Maintaining a living root
5. Integrating animals into land management, including grazing animals, birds, beneficial insects or keystone species, such as earthworms

3. Must an Eligible Entity own the land they manage in order to apply for funding?

A: No. However, an Eligible Entity that doesn’t own the land where the project is intended to occur must demonstrate that they have the necessary permissions to implement a Healthy Soil Program project on that land.

4. Is there a minimum acreage requirement to apply for a Healthy Soil Program grant?

A: No.

Fiscal Year 2024 (FY24)
NMDA's Healthy Soil Program ELIGIBLE ENTITY grants
Frequently Asked Questions (FAQ)

5. What is the maximum length of time a project can be funded under the Healthy Soil Program?

A: Funds will be awarded to approved projects whose activities occur no earlier than **August 1, 2023**, and no later than **May 31, 2024**. Multi-year proposals will not be considered for funding.

APPLYING FOR A GRANT

6. Where do I apply for a Healthy Soil Program grant?

A: Starting on April 11, 2023 and ending at 12 p.m. (noon) on May 17, 2023, applications will be accepted online at grants.nmda.nmsu.edu. You must create a free account to begin working on your application. Additional context and links to documents required for application are posted at <https://nmdeptag.nmsu.edu/hsp/requirements-for-eligible-entities.html>.

7. Can I apply by hand-delivering, mailing, or emailing our application materials instead of using the web-based application?

A: No. All grant applications, including supplemental documentation, must be submitted online at grants.nmda.nmsu.edu.

8. Will NMDA accept late or incomplete applications?

A: No.

9. Will NMDA accept additional (or revised) information about our application after the submission deadline?

A: No.

**REQUIRED AS YOUR FIRST PROJECT ACTIVITY:
SOIL ASSESSMENT AND SOIL TESTING**

10. What is the distinction NMDA makes between soil *assessment* and soil *testing*?

A: Soil assessment occurs in the field and can be done by the land manager at no cost. Soil assessment analyzes the **physical** properties of the soil. Soil testing, on the other hand, occurs in a laboratory setting, which soil labs perform for a fee. NMDA requires that soil testing include a **chemical** analysis. Beyond this instruction, NMDA's Healthy Soil Program does not endorse a specific soil-testing procedure.

11. Is *pre-project soil testing* a reimbursable project activity?

A: Yes. Soil testing prior to implementing any other project activities is a requirement for Healthy Soil Program grantees; it is also reimbursable. Therefore, Eligible Entities implementing projects should include the cost of pre-project soil testing for chemical analysis in their budget request. If an Eligible Entity desires additional soil testing beyond basic chemical analysis, they must explain why in their grant application.

Fiscal Year 2024 (FY24)
NMDA’s Healthy Soil Program ELIGIBLE ENTITY grants
Frequently Asked Questions (FAQ)

12. Is **post-project soil testing a reimbursable project activity?**

A: No.

13. Which soil health lab should I utilize for our project?

A: NMDA’s Healthy Soil Program does not recommend or endorse a specific lab. You may find this resource from NMSU—Cooperative Extension Service useful in identifying a certified lab to analyze your soil samples: https://aces.nmsu.edu/pubs/_a/A146/welcome.html.

PROJECT BUDGET

14. Given that NMDA’s combined timeline/budget template requires me to distinguish between goods and services, as well as between nondurable goods and durable goods, how do they all differ?

A: The chart below offers a way of understanding these differences:

GOODS		SERVICES
<ul style="list-style-type: none"> • Tangible • Item that is yours after purchase 		<ul style="list-style-type: none"> • Intangible • Specialized work that is performed for a fee
NONDURABLE GOODS	DURABLE GOODS	
Perishable	Nonperishable	
Not subject to NMDA’s \$4,999.99 cap	Subject to NMDA’s \$4,999.99 cap (see Question 16)	Not subject to NMDA’s \$4,999.99 cap
Examples eligible for HSP funding include cover crop seed, compost, etc.	Examples eligible for HSP funding include PVC pipe, T-posts, wire, etc.	Examples eligible for HSP funding include soil testing, no-till drill rental, hosting public outreach activities (trainings, guest speakers, field days), etc.
Continue reading to better understand funding restrictions.		

15. What are some typically requested goods (nondurable and durable) and services that are **ineligible for purchase using Healthy Soil Program grant funding?**

A: Although this list is not exhaustive, it is representative of previously requested goods and services that are **ineligible** for grant funding:

- Any good or service associated with an activity occurring *outside* the grant period (August 1, 2023 to May 31, 2024)
- Consulting fees amounting to more than 10 percent (10%) of the project total
 - Consulting fees amounting to 10 percent (10%) or less of the project total may be considered for funding *if* the consulting company name is provided (*cont’d.*) on

Fiscal Year 2024 (FY24)

NMDA's Healthy Soil Program **ELIGIBLE ENTITY** grants Frequently Asked Questions (FAQ)

the timeline/budget template and the consulting work to be performed is sufficiently described.

- Topsoil
- Greenhouses, high tunnels, and planter boxes
- Tillage equipment
- Equipment and labor for laser land leveling
- Materials and labor for erosion-control structures
 - Since such structures can actually *worsen* problems if they're not properly designed and installed, NMDA recommends that land managers seek guidance from USDA's Natural Resources Conservation Service (NRCS) on such structures, as well as related funding sources to construct them (EQIP, etc.).
- Equipment for applying herbicide/pesticide (totes, sprayers, booms, etc.)
- **Cash** crop seed or tree stock (hemp, chile, peach, etc.)
 - **Cover** crop seed *is* eligible for grant funding
- Livestock (cows, goats, sheep, chickens, bees, etc.)
- Livestock feed
 - Bale grazing *is* eligible for grant funding; see below for more information
- Fuel, irrigation water, and other utilities (electricity, natural gas, etc.)
- Mileage and per diem
 - Mileage *is* payable to the Eligible Entity for one (1) required visit to the project site
- Power tools
- Building materials such as those used to construct livestock-housing facilities (lumber, tin, electrical supplies, etc.)
 - Fencing materials to facilitate grazing management projects may be allowable if they fall within the durable-goods limit described below.
- Testing and servicing of water wells

16. What are the restrictions on the purchase of **durable** goods?

A: A durable good costing \$5,000.00 or more **cannot** be considered for funding. A durable good costing \$4,999.99 or less *can* be considered for funding.

- Durable goods that are purchased to function as part of a larger unit – such as lengths of PVC pipe for a waterline, or posts and wire for a fence – are considered *collectively*. **For example:** If the combined cost of the posts and wire required for a fence is more than \$4,999.99, then the posts and wire are ineligible for grant funding.

17. How should I account for additional charges – taxes, delivery, freight, shipping, handling, etc. – on the goods and services I'm requesting grant funds to buy for our project?

A: The Eligible Entity is expected to do their own research on all goods and services needed to implement their project. This includes:

- a clear **description** of the good or service
- the **unit** in which the good or service is sold, as well as the **number of units** requested

Fiscal Year 2024 (FY24)

NMDA's Healthy Soil Program **ELIGIBLE ENTITY** grants Frequently Asked Questions (FAQ)

- Use specific measurements like 10 lbs., 1 ton, 100 linear feet, 10 hours, etc. Avoid vague units like “bags” or “bales”.
- the **price per unit**, including the per-unit breakdown of tax and any other additional charges assessed by the seller

18. I understand that Healthy Soil Program funds cannot be used to feed livestock, but they can be put toward bale-grazing projects. How can I put forward a successful bale-grazing project?

A: Eligible Entities should work with a USDA-NRCS certified conservation planner to develop a bale-grazing plan. Specifically, Eligible Entities should utilize [this bale grazing template](#). The template is based on “USDA-NRCS Conservation Enhancement Activity New Mexico Supplement, E528P Implementing bale or swath grazing to increase organic matter and reduce nutrients in surface water”.

19. I understand that each Eligible Entity must provide a matching / in-kind contribution equal to 25 percent (25%) of the Healthy Soil Program funds they're requesting for the project. Does that mean they have to put that amount of money into their project?

A: No. The 25-percent threshold can be achieved with matching funds, in-kind contributions, or a combination thereof. Matching funds include funds from the Eligible Entity, as well as funds from others (grants, loans, etc.). In-kind contributions include but are not limited to:

- Labor
- Machine-hours
- Gifts from others (i.e., seed, equipment, tools, etc.)
- Other inputs into the project (irrigation water, fuel, etc.)

APPLICATION SUBMISSION, REVIEW, AND SELECTION

20. After I submit our application, will NMDA contact me if they have questions about it?

A: No. Before submitting their application, Eligible Entities are expected to avail themselves of the resources available on [NMDA's Healthy Soil Program website](#). Further, all Eligible Entities can contact NMDA before submitting their application if they need additional information to clarify program parameters.

21. How are applications evaluated and selected?

A: After reviewing applications to ensure that they are complete and within the scope of the Healthy Soil Program, NMDA convenes a Technical Review Committee to evaluate applications. This committee is comprised of representatives from the state's Eligible Entity communities; scientists with expertise in soil health; staff from USDA's Natural Resources Conservation Service (NRCS); farmers and ranchers; and, per the Healthy Soil Act, members of the New Mexico Soil and Water Conservation Commission. Based on their evaluation, the committee recommends projects and funding levels. The committee's recommendations then are presented to the New Mexico Secretary of Agriculture for final decision-making.

Fiscal Year 2024 (FY24)
NMDA's Healthy Soil Program ELIGIBLE ENTITY grants
Frequently Asked Questions (FAQ)

22. If our project is selected for partial funding, how will the decision be made about which items are scaled down or altogether removed?

A: The first items removed from the project budget are those that are ineligible for purchase. In instances where only partial funding is granted, NMDA will make decisions based on the Eligible Entity's response to the related question in the application (regarding the possibility of partial funding and how that would necessitate a scaling-back of project activities and/or materials). Because of the volume of projects and the need to begin project work without delay, **this process is not open to negotiation with the Eligible Entity.**

23. Will I be notified of the outcome of our application?

A: Yes. On or about June 27, 2023, Eligible Entities will be notified of the outcome, regardless of whether their projects were selected for funding or not. NMDA will provide this notification via the contact information supplied in the application.

**IF YOUR PROJECT IS AWARDED
A HEALTHY SOIL PROGRAM GRANT**

24. What is required of the Eligible Entity grantee prior to receiving Healthy Soil Program grant funding?

A: Each Eligible Entity awarded a grant must attend a **mandatory grant training online on July 10, 2023**. The training will review in detail the soil testing, invoicing, and reporting requirements that come with accepting grant funds, as well as any contractual agreements between NMDA and grantees. **Failure to attend the grantee training risks cancellation of the grant award.**

25. If my project is selected for a Healthy Soil Program grant, when will funding be released for its implementation?

A: All grant funds are paid on a cost-reimbursement basis. This means that the Eligible Entity implementing the project must incur project costs before seeking Healthy Soil Program funds to reimburse those costs. The Eligible Entity should submit their invoices (and related receipts) to NMDA early and often. Invoices and related receipts must match the approved budget for the project. Purchases of items that are not part of the approved project budget will not be reimbursed.

26. How can we ensure quick, complete payment for approved project expenses?

A: The Eligible Entity has an important role to play in ensuring quick, complete payment for approved project expenses:

- Follow the approved timeline/budget for your project.
- Know that NMDA will not reimburse cost *estimates*.
- Avoid paying for approved budget items in cash.
- When making an approved project purchase, get a receipt showing that the balance due is \$0.00.
 - Otherwise, you'll be asked to provide proof of payment: a canceled check, or a bank or credit card statement.

Fiscal Year 2024 (FY24)
NMDA's Healthy Soil Program ELIGIBLE ENTITY grants
Frequently Asked Questions (FAQ)

- Contact NMDA well in advance if you foresee shortages in approved budget items you have yet to purchase.
- Keep in mind that NMDA will not reimburse expenses that are not part of the approved project budget. This includes tax, shipping/handling, postage, etc. not already accounted for within each line-item's price per unit
- Keep your receipts.
- Keep your receipts away from sunlight, liquids, and anything else that might make them illegible.
- **Invoice NMDA**
 - **early and often!**
 - on Eligible Entity letterhead (utilizing the invoice template NMDA will provide)
 - noting the current date
 - noting the purchase order (P.O.) number specific to the Eligible Entity's project
 - referencing specific line-items on the approved project budget
 - attaching related receipts that are **legible**
- Verify information on the invoice and associated receipts before emailing them to NMDA's Healthy Soil Program.

IMPORTANT PROGRAM DATES

Date	What happens
April 11, 2023	Application period opens for Eligible Entities
April 18 1:30 to 3 p.m.	NMDA hosts webinar to demonstrate application process
May 17 12 p.m. (noon)	Deadline to apply (application period closes for Eligible Entities)
June 27 (on or about)	NMDA notifies all Eligible Entities of application outcome
July 10 Time TBD	NMDA hosts mandatory grantee training online
July 11	NMDA begins distributing contractual paperwork (Memoranda of Agreement (MOAs)) that must be completed before grant-funded activities can begin
August 1	<ul style="list-style-type: none"> • Earliest date when grant-funded activities can begin <i>if</i> MOA is returned to NMDA • Earliest date when required pre-project soil test / assessment can be performed
August 31	Conditional grant awards may be cancelled if MOA not signed/returned to NMDA
December 31	Deadline to submit your 1st quarterly/final report to NMDA
March 31, 2024	Deadline to submit your 2nd quarterly/final report to NMDA
May 31	<ul style="list-style-type: none"> • Latest date when grant-funded activities can end • Latest date when post-project soil assessment can be performed

Fiscal Year 2024 (FY24)
NMDA's Healthy Soil Program ELIGIBLE ENTITY grants
Frequently Asked Questions (FAQ)

June 15	<ul style="list-style-type: none">• Deadline to submit your 3rd quarterly/final report to NMDA• Deadline to submit final invoices to NMDA for approved project expenses
---------	--

FOR MORE INFORMATION

27. Where can I learn more about NMDA's Healthy Soil Program?

A: To learn more about the Healthy Soil Program, visit <https://nmdeptag.nmsu.edu/healthy-soil-program.html> or contact NMDA's Healthy Soil Program team at hsp@nmda.nmsu.edu.