

**2018 HEALTHY SOILS PROGRAM
DEMONSTRATION PROJECTS
QUESTIONS AND ANSWERS (Q&A)
JANUARY 25, 2019**

1. Q. Are there marketing materials (logo, certification, etc.) that Healthy Soils Program recipients can use in promotional activities to demonstrate their commitment to developing healthy soils in California's farmlands and ranchlands?
A. At this time, there are no marketing materials developed for recipients of Healthy Soils Program projects to promote their agricultural operation or commodity. However, recipients may use the [California Climate Investments](#) and [Prop 68](#) logos to promote their project.
2. Q. We would like to apply for funding to evaluate an increased rate of compost application to rangeland. Is it correct that we need to apply compost only one-time during the three year grant duration?
A. The practice of One-Time Compost Application with Higher Rates for Grazed Grasslands is eligible for projects proposed under the HSP Demonstration Projects Type A. While compost may be applied one time during the grant duration, GHG and any additional data proposed in the project must be collected every year.
3. Q. Can a landowner apply for funding through the demonstration (type A or B) and also incentive program on the same APN for a different suite of practices?
A. Yes. However, applicant must ensure the practices being implemented under either grant are distinct and do not overlap. If considering the same practices on the same APN, applicants are not eligible for both HSP Incentives Program and Demonstration Projects funding. Additionally, individuals are not eligible for the HSP Demonstration Projects; applicants must comply with eligibility requirements listed in the [Request for Grant Applications](#).
4. Q. What indirect cost rate may applicants claim for Healthy Soils Program Demonstration Projects?
A. Allowable indirect rates for Healthy Soils Program Demonstration Projects vary by organization. Applicants from the University of California or California State University may claim the negotiated rate for funding that originates from CDFA (25 percent effective July 1, 2019). All other eligible organizations with an established indirect cost rate may claim their established rate. Such organizations must include their indirect cost rate policy, executed Federal Indirect Cost Negotiation Agreement, or other documentation sufficient to demonstrate a valid method for calculating indirect costs as an attachment to their application. Eligible organizations without an established indirect cost rate may claim the de minimis rate of 10%.
5. Q. Would a proposed project located near a previously funded demonstration site (same county) preclude it from being competitive?
A. No. However, the new proposed project must not be on the same APN as a previously funded project.
6. Q. Would an applicant and/or landowner who received funding in the 2017 Healthy Soils grant round be less competitive in this round?
A. No. However, any new proposed projects must not be on the same APNs as previously funded projects.

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7. Q. Part of our project goal is to compare sampling methodology and quality of results between traditional soil sampling versus a new and innovative tool for measuring soil organic carbon in a more cost-effective manner that could eventually increase the rate of growers entering the state's carbon market or alternative carbon markets. Does this project idea seem to be a good fit for the Healthy Soils Demonstration program?
- A. The objective of the HSP Demonstration Projects is to evaluate the effects of management practices on carbon sequestration and GHG emissions reductions. CDFA provides flexibility of incorporating testing methods as part of this grant. Comparison of different sampling methods are encouraged, including existing methods (e.g., [HSP Soil Sampling Protocol for Organic Matter Analysis](#) and [References for Field Measurement of Greenhouse Gas Emissions](#)), to allow comparison of project data with existing literature and other HSP-funded projects.
8. Q. Would replicating an existing demonstration project at a different location, to explore regional variability and compare sampling methodology (above mentioned innovative tool), preclude the applicant from being competitive?
- A. A new project testing the same suite of practices by a previously funded applicant may be eligible for funding in this round if it is not located on the same APN(s) as previously funded project. CDFA provides flexibility of incorporating testing methods as part of this grant. Comparison of different sampling methods are encouraged, including existing methods (e.g., [HSP Soil Sampling Protocol for Organic Matter Analysis](#) and [References for Field Measurement of Greenhouse Gas Emissions](#)), to allow comparison of project data with existing literature and other HSP-funded projects.
9. Q. What analytical method should be used for testing and reporting soil organic matter content?
- A. A standardized method followed by a certified laboratory must be used. A list of recommended laboratories is available in [Soil Sampling Protocol for Soil Organic Matter Analysis](#).
10. Q. The request for grant applications states applicant eligibility is limited to "Not-for-profit entities, University Cooperative Extensions, Federal and University Experiment Stations..." Does "Not-for-profit entities" mean an entity with a 501 (c)(3) designation, or would a public university qualify as a Not-for-profit entity?
- A. Public universities are eligible to apply.
11. Q. If an RCD or other eligible applicant organization does not own the land, what kind of documentation should be provided? Can a public agency that owns the farm property apply as the lead organization?
- A. If the lead applicant organization does not own the land, a letter of agreement from the landowner, consenting to implementation of project for the entire project duration must be provided with the application. Lead applicant organizations must be not-for-profit entities, University Cooperative Extensions, Federal and University Experiment Stations, Resource Conservation Districts (RCDs), Federal and California Recognized Native American Indian Tribes, and, farmers and ranchers in partnership with one of the aforementioned entities.

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12. Q. Is there a strict payment rate for higher compost application rate grasslands comparable to the \$50/acre rate for 6-8 tons per acres standard compost treatment in the HSP Incentives Program?
- A. Standard Payment Rates for the HSP Incentives Program do not apply to the HSP Demonstration Projects. However, applicants are encouraged to source compost at rates comparable to those in the HSP Incentives Programs as best possible.
13. Q. Who takes the lead on HSP Demonstration, farmers or RCD?
- A. The entity listed as the lead applicant organization is responsible for determining the roles of all participating entities in the project. Roles must be clearly defined in the application at the time of submission.
14. Q. What are the state audit and accounting requirements for Healthy Soils Program recipients?
- A. The state audit and accounting requirements describe the standards for utilizing an accounting system adequate to track grant related expenses and retaining records both during the project duration and thereafter for a period of at least three years. Additionally, these requirements include a provision that all projects are subject to audit by the CDFA audit office and/or its designee. Detailed information on the State Audit and Accounting Requirements can be found on Page 22 of the [Request for Grant Applications](#).