

State of Tennessee

Coronavirus Agricultural and Forestry Business Fund



Department of Agriculture

**Supply Chain Enhancement / Increased Meat
Processing Capacity – Project Deadline Rules**

CAFB Fund – Supply Chain Enhancement / Increased Meat Processing Capacity – Project Requirements

This summary is intended to clarify the new timing requirements for Supply Chain Enhancement and Meat Processing Capacity projects under the Coronavirus Agricultural and Forestry Business Fund (CAFB Fund).

Background:

On October 19, 2020, the US Treasury issued new guidance regarding the use of Coronavirus Relief Funds (CRF Funds) for purchase of goods and services and for improvements to property. However, given that CAFB Fund projects were based on applications and awards made well before October 19, and given the planning and funding efforts that were well underway prior to October 19, the State of Tennessee intends to allow reliance on the previous Treasury guidance. However, to be sensitive to the spirit of the CARES Act, the State also has decided to include some additional requirements for projects that cannot be completed and “put into service” prior to December 30, as set forth below.

Requirements

The CAFB Fund requirements Supply Chain and Meat Processing projects are as follows:

1. **RFF Deadline** - All requests for funding (RFFs) for Supply Chain Enhancement and Meat Processing Capacity projects will still be due on November 10, 2020. For projects that are not completed by November 10, the RFF is expected to contain a detailed narrative explaining the nature of the project, and the expected delivery and completion timeline. RFFs should include any available supporting documentation, such as purchase orders, contracts and other plans, including detailed certifications and statements regarding timing of delivery and completion.
2. **What Is Reimbursable** - CAFB Funds can only be used for that portion of the project which is completed, delivered, or performed by December 30, 2020 (and which are “put in service” by May 30, 2021 - i.e., the completion deadline noted below). Any portion of a project that is completed or delivered after December 30 must be paid for with other funds, and cannot be reimbursed with CAFB Funds. Recipients must be able to distinguish between those items or services completed or delivered on or before December 30 and those completed or delivered after December 30. Note that per Treasury guidance, while reimbursable items and services need not be paid for by December 30, they must be received by December 30, and they must be paid for within 90 days of receipt of the item or service (which may be before project completion in some cases).
3. **Completion Deadline** - Projects which cannot be completed and put into service on or before December 30, 2020, must be completed and put into service by May 30, 2021. Projects that cannot be completed and put into service by May 30, 2021 will not be eligible to receive funding under the CAFB Fund. However, this deadline contemplates that additional improvements may be made after May 30, so long as the project is sufficiently completed such

that all of the reimbursable items and services are able to be put into service on or before May 30, 2021.

4. **Payment Dependent on Completion** - Completion of the project and putting the reimbursable items or improvements into service (by May 30, 2021) is a prerequisite to receiving CAFB Funds for the reimbursable portion of the project (i.e., the portion of items and services completed prior to December 30). Supporting documentation for the reimbursable portion of project can be submitted any time after that portion of the project is completed and paid for, but CAFB funding will be withheld until the recipient can document that the project is completed and put into service, as described above. Self-certification that the project is completed, paid for, and put into service will be sufficient documentation for funds to be disbursed. The State may wish to verify certifications of completion at a later date, in its sole discretion.

Timeline of CAFB Fund for SCE and MC Projects:

- **November 10, 2020** – This is the last date to submit an RFF through the CAMS dashboard. The RFF on this date must have at least an invoice/purchase order or detailed project plan and eligible reason why this project is taking place.
- **December 30, 2020** – This is the last date that a recipient must receive project materials, equipment, and/or services that they desire to be reimbursed. For it to be reimbursable the recipient must at the very least receive the items and services by this date. The recipient will have until May 30, 2021 to complete the remainder of the project sufficiently such that the reimbursable portion of the project is put into service for its intended COVID-related purpose.
- **May 30, 2021** – The proposed project must be sufficiently completed to be “operational” and the reimbursable portion must be paid for on or before this date for the recipient to be reimbursed for their substantiated portion of costs documented in their RFF(s). If the project is not sufficiently completed such that the reimbursable items and services are put into service by this date, or the approved RFF amount has not been timely paid, then funds may be de-obligated.

Partial Completion:

In some cases, the full project must be completed to be able to put into service the items or improvements. However, if completing only part of the original proposed project enables the reimbursable items and services to be put into service before completion of the entire project, then a recipient can claim the CAFB Funds as soon as all reimbursable items and services are put into use for their intended COVID-related purpose (so long as that happens prior to May 30, 2021).

Examples:

- A meat processor originally planned to (1) purchase and install walk in freezers and (2) build another room for further processing. He/She was able purchase and receive the freezers by December 30, 2020 and have them installed and storing meat prior to May 30, 2021. They were not able to complete the construction portion of the project for additional processing prior to May 30, 2021. The meat processor will be reimbursed for the walk-in freezers and installation, but not the room for further processing.
- A logger originally plans to buy two flat beds to haul logs to the sawmill, because their logging distributor shut down due to the COVID-19 pandemic. If only one flat bed is purchased and received by December 30, 2020 (and put into service by May 30, 2021), then that flat bed trailer is still eligible to be reimbursed, even though the second one was not received before the deadline.