USDA Forest Service Inflation Reduction Act (IRA) Forest Landowner Support

Notice of Funding Opportunity (NOFO) 1: Supporting Underserved and Small-Acreage Forest Landowner Participation in Emerging Private Markets

Frequently Asked Questions (FAQs)

For additional questions, please contact SM.FS.LandownerIRA@usda.gov

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Key Definitions

“Emerging Markets for climate mitigation or forest resilience”
Healthy ecosystems provide vital benefits including clean air and water, flood prevention, drought mitigation, forest products, and wildlife habitat. Forest landowners contribute to the public good when they implement land management practices that sustain forest health and resilience. Many of these benefits, or ecosystem services, are not recognized in traditional market transactions. Environmental markets account for the value of ecosystem services and formalize interactions between “buyers” and “sellers” of benefits. Market-based solutions attract resources to private lands conservation and create additional revenue streams for landowners, which can then be re-invested in forest stewardship. Environmental markets currently exist for greenhouse gases (including carbon), water quality, biodiversity/habitat, and wetland restoration. Additional emerging market innovations include certification for products and supply chains that address conservation objectives. Market drivers related to cost savings and risk reduction, such as source water protection or restoration, may also be addressed.

“Underserved landowners”
For these IRA provisions, the USDA Forest Service defines underserved as landowners from one or more of the below-listed groups. See the NOFO for a full description of each of these categories.
• Beginning Farmers, Ranchers, or Forest Landowners¹;
• Farmers, Ranchers, or Forest Landowners Living in High Poverty Areas²;
• Federally Recognized Tribes³;
• Limited Resource Producers⁴; and/or
• Veterans⁵.

“Non-Industrial Private Forest land”
Program activities must target nonindustrial private forest land which is defined as meeting all the following criteria:

• Is rural, defined as all areas outside United States Census areas with 50,000 or more people. Please use the Landscape Scale Restoration Project Planning Tool to confirm that the proposed project area(s) is within an eligible rural geography.
• Has existing tree cover or is suitable for growing trees.
• Is owned by any private individual, group, association, corporation, Indian Tribe, other private legal entity or is Tribal land held in trust by the federal government.

“Maximize benefits to landowners”
Projects should emphasize ability to advance market readiness of lands owned by targeted landowner populations. Projects will be assessed based on their ability to deliver on this key value in a cost-effective manner, prioritizing direct benefits to landowners in project design and budget structure. Where lands, landowners, and practice/readiness gaps are already identified, this means the maximum amount of funding possible should be directed to closing the marketability gap to bring landowners’ forests to emerging private markets. Applied scientific work advancing the understanding of the readiness gaps can be funded, but projects focused on that function alone will not rank as highly in maximizing benefits to landowners as projects that have a direct tangible benefit to landowners. Legislative direction provides a preference for expanding market access and entry rather than the study of market barriers.

Eligibility and Eligible Activities

Can individuals apply for this funding?
No, individuals are not eligible to apply for this specific funding opportunity. This opportunity is for entities that will in turn implement projects to benefit individual landowners. As these projects are launched, the Forest Service intends to provide a centralized place for landowners to find information about various projects. In the meantime, landowners can visit this page for information on available resources: https://www.fs.usda.gov/managing-land/private-land/landowner-resources

¹ Agriculture Improvement Act of 2018; From Title 7- Agriculture 7 USC 2279; Inflation Reduction Act
² Inflation Reduction Act
³ Section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)
⁴ Agriculture Improvement Act of 2018; Inflation Reduction Act
⁵ Agriculture Improvement Act of 2018; From Title 7- Agriculture 7 USC 2279; Inflation Reduction Act
Is there a minimum acreage for landowners who will be beneficiaries of these programs? *(question added 8/29/23)*
There is no minimum acreage for beneficiary underserved or small-acreage landowners; however, applicants may propose projects that include a minimum acreage for project participants.

Is there a maximum acreage for underserved landowners benefiting from these programs? *(question added 8/29/23)*
There is no maximum or minimum acreage for underserved landowners who will benefit from project activities.

Can funds be used to support projects in another country? 
No. The forest land benefiting from these programs must be in the United States or its territories.

Would projects focusing on native species and biodiverse projects be prioritized? 
Proposals should adhere to the guiding principles in the NOFO, including the principle that notes the value of ecosystem resilience. The Forest Service values and prioritizes native seeds and plants in restoration and reforestation efforts. Project efforts should focus on advancing market readiness and value in the identified private market for climate mitigation or forest resilience. Assisted migration, hybrid, and nonnative cultivars may be acceptable if justified by market requirements and if it has been demonstrated that historically native species fail to meet sufficient or resilient survival/production to secure the marketable ecosystem service(s).

Are all veterans eligible as beneficiaries as underserved landowners? 
Individuals are not eligible to apply directly for this funding opportunity. As beneficiaries of projects to be funded, veterans are eligible if they meet the following criteria:

- Has 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 owned land for more than 10 years; or
  - Who first obtained status as a veteran during the most recent 10-year period.

What documentation is needed to support beneficiary eligibility (e.g. veterans, limited resource producers)? *(question added 8/25/23)*
Self-identification is appropriate and sufficient for the following categories of underserved landowners: veterans, limited resource producers, and beginning forest landowners. For identifying landowners in high poverty areas, see the NOFO for applicable data sets. If you have identified landowners you believe to be in high poverty areas, but the areas are not within one of the provided data sets, please contact the Forest Service at SM.FS.LandownerIRA@usda.gov with details.

What kinds of activities (e.g. fuels treatment, agroforestry, biochar) can be funded? 
The focus of these funds is on participation in emerging private markets for climate mitigation and forest resilience. Any activities that lead to increased participation in these markets are eligible as long as the adhere to the following guiding principles:

- Forest management practices must emphasize ecosystem resilience rather than maximization of any single benefit to the detriment of ecosystem function.
• Forest management practices should measurably demonstrate “net positive” outcomes (additionality) over time for multiple public and ecosystem benefits including, but not limited to, carbon sequestration, biodiversity/habitat restoration, sustainably managed forest products and/or improved water quantity or quality.
• Activities and practices should incorporate consideration of risk, including disturbance and future climate conditions, and contribute to forest resilience.
• Activities and practices must be designed for site-specific conditions (e.g., forest type; climate change impacts and vulnerability; and relevant laws, regulations, and policies).
• Emerging private markets that support these practices should optimize direct benefits to landowners while limiting their financial risk.

Can ecotourism be considered a relevant private market, particularly in places where there are not active biodiversity or water markets and where carbon-only projects are not financially viable for landowners?

Ecotourism plays a significant role in tourism markets, with potential to serve environmental, social, and economic objectives. Proposals that address this market opportunity should articulate a clear rationale tying the market opportunity directly to climate mitigation and/or forest resilience. Such proposals should also take care to follow the guiding principles outlined in the NOFO, including how risk is accounted for and how the proposed activities emphasize ecosystem resilience rather than maximization of any single benefit to the detriment of ecosystem function.

The NOFO says, “Entities that have subsidiaries and affiliates will be treated as one applicant for purposes of calculating the $25 million cap on requests.” What is the definition of “subsidiaries and affiliates”?

Subsidiary is defined as an entity in which more than 50 percent of the entity is owned or controlled directly by a parent corporation or through another subsidiary of a parent corporation (2 CFR 200.1).

Under 2 CFR 180.905: “Persons are affiliates of each other if, directly or indirectly, either one controls or has the power to control the other or a third person controls or has the power to control both. The ways a Federal agency may determine control include, but are not limited to—

a. Interlocking management or ownership;
b. Identity of interests among family members;
c. Shared facilities and equipment;
d. Common use of employees; or
e. A business entity which has been organized following the exclusion of a person which has the same or similar management, ownership, or principal employees as the excluded person.”

Applicants should keep in mind that 2 CFR Part 180 provides OMB Guidance for Federal agencies on the government-wide debarment and suspension system for non-procurement programs and activities. Grants and cooperative agreements are non-procurement transactions. This comes into play where a subsidiary, affiliate, or parent company may be debarred or suspended.
Application and Award Process

How do I apply for funding?
Visit [www.grants.gov](http://www.grants.gov) and search for Opportunity #USDA-FS-2023-IRA-FLS-01 (Title: USDA Forest Service Inflation Reduction Act Forest Landowner Support).

Are there required templates for a proposal narrative and budget?
No, there are no required templates or forms beyond the standard forms listed in the application package; all standard forms are available at grants.gov. The NOFO includes elements that must be included in proposals, including in the narrative and detailed budget, but there is no required format, template, or form for these elements.

Can two or more organizations partnering on project scope apply together, or should they apply separately?
Each application must be submitted by one eligible entity; however, an application can represent a collaboration among multiple organizations, which would receive funds through contracts or agreements from the entity that applied for and received funding. Eligible entities should carefully consider the pros and cons of applying separately v. applying under one umbrella application.

Can I submit a proposal that benefits both underserved landowners and small-acreage landowners?
Yes, one proposal can be submitted to benefit both groups of landowners. Proposals that serve both types of landowners should include a Project Narrative that distinguishes between activities for each landowner type (described as Focus Areas in the NOFO) and include separate budgets for each Focus Area as well as one consolidated summary budget. In situations where beneficiaries are both underserved and small-acreage, it is preferred to categorize beneficiaries in one category for the purposes of budgeting. This nuance can be addressed in the Project Narrative.

How will proposals be selected for awards?
All proposals will be screened for relevance, accuracy, completeness, and compliance with USDA Forest Service policies. Proposals will then be evaluated based on the extent to which they meet all of the following criteria:

- Alignment with program and Focus Area priorities (see Program Content and Structure);
- Technical merit (proposal is technically sound and feasible with a well-crafted workplan and achievable timeline);
- Organizational capability and capacity, including skills and experiences of key personnel (administrative infrastructure, subject matter expertise and relationships required to achieve intended results);
- Appropriate measurement and monitoring of outcomes, including ability to adapt activities as needed;
- Budget cost-effectiveness, including description of any non-Federal funds contributed (proposed budget is appropriate to scale and scope of program of work);
- Optimization of benefits to landowners;
- Partner commitment and coordination (as appropriate);
- Strategic programmatic contribution; potential to replicate or amplify impact.
The agency will also account for program portfolio balance (e.g., geographic location, entity type, scope of activities, and program beneficiaries) in determining awards to be funded.

Strong proposals will (1) clearly articulate barriers to participation in emerging climate mitigation and forest resilience markets for undeserved and/or small-acreage landowners and (2) explain how project activities will address these barriers.

**Budget and Allowable Costs**

**Are sub-awards (regrants) allowed under Track A and Track B?**
Yes. Sub-awards are allowable under all tracks for this funding opportunity. For Track C proposals, sub-awards will comprise at least 80% of the budget; there is no such threshold for Track A or Track B.

**What if my proposed activities might or would generate income?**
Anticipated project income should be noted in budget documents and will be discussed at the agreement phase after projects have been selected to receive awards. The recommended path is to utilize project income to augment project activities and thereby achieve expanded impact.

**What can be included in personnel rates for project budgets?**
The portion of the Code of Federal Regulations (CFR) that deals with Grants and Agreements (2 CFR §200) lists allowable costs and specifies the expenses that can be included in personnel rates. A grant manager, whose time is tracked and allocable to the administration of the award, for example, could be included in the personnel rates for project budgets, provided that is common practice and explicitly included for the project. General administrative and overhead personnel costs that are pooled at the organization by practice and are not tied to both a specific person and allocable and integral to a project activity under the grant should not be included. Those costs are assessed through the indirect cost rate. Additional guidance on direct vs. indirect cost is available in 2 CFR §200.412 et seq.

**Can funding be used to support participation in regulatory markets? Or only voluntary markets?**
Markets may be driven by regulation or other incentives such as cost or risk reduction. Regulatory markets that are created by government legislation or mandates at the federal, state, or local level (e.g. the Endangered Species Act, the Clean Water Act, California’s compliance carbon offset market, municipal commitments to carbon neutrality) are within the scope of emerging private markets for the purposes of this funding opportunity. Voluntary markets, such as the voluntary carbon market, are also within the scope of this funding opportunity, and are driven by entity commitments beyond regulation, including organizational mission, sustainability goals, or cost savings, among others.

A market, whether regulatory or voluntary, can be a tool to leverage private sector financial resources in environmental protection and climate mitigation efforts. Both regulatory and voluntary markets complement one another, increasing demand and transparency to the benefit of the farmers, ranchers, and forest landowners who provide the land and projects that supply these markets.
Can funds be used for land acquisition (conservation easement and fee simple) projects? (question added 8/29/23)
No. The focus of these funds is on participation in emerging private markets for climate mitigation and forest resilience. Any activities that lead to increased participation in these markets are eligible as long as they adhere to the guiding principles in the NOFO.

Can funding be used to support green bonds?
Forest Service funding cannot be used to issue green bonds. Forest Service funding can be used for actual direct costs, reimbursing entities for direct costs incurred on agreed upon project work. There are no restrictions on how cash received as reimbursement for expenses is then later deployed.

Can funding be used to establish a revolving loan fund?
The Forest Service does not have an authority to establish revolving loan funds. However, interest expenses on existing loans can be part of general administrative costs of an organization as outlined in an indirect cost agreement.

Can construction or capital expenditures?
No. These programs fall under the Landscape Scale Restoration Program (authorized under Section 13A of the Cooperative Forestry Assistance Act of 1978, 16 U.S.C. 2109a), which does not allow for construction.

Can this funding support a community grant program?
Proposals for Tracks A and B can include community grant (regrant/sub-award) programs as long as the proposed regranting programs clearly contribute to the overall intent of these funds: support participation of underserved and/or small-acreage landowners in emerging private markets for climate mitigation or forest resilience. Sub-awards are allowable for Tracks A, B, and C. For Track C, only national regranting programs are allowed, not community-focused regranting programs.

There is no CFR or standard definition for a “community grant program”; however, the phrase has been used to refer to grants awarded to a pass-through entity (usually a State or local government entity), which then sub-awards to non-profit organizations, schools, and other local community-based organizations.

Funding under Track A or B may support a local community grant program as long as such program conforms to the focus areas and priorities identified as well as the requirements and limitations, under the NOFO. Both the prime awardee and the subrecipients shall be subject to the requirements of 2 CFR 200. Please note however, that cost share, reimbursement, and other types of payments provided directly to private landowners, are ineligible uses of grant funds.

Can I purchase equipment with this funding?
Equipment is defined as having a per unit purchase cost of $5,000 or more and a useful life of more than one (1) year. Anything under this value may be more appropriately categorized as a “Supply.” While equipment may be an eligible expense for these funds, applicants should carefully consider the rules and accounting requirements around managing equipment during and beyond the grant period and weigh the relative benefits of proposal equipment purchase. As an alternative, applicants might consider equipment rental for key activities.
I would like to issue sub-grants or sub-awards as part of my project. What requirements apply to sub-awards?

All regulations outlined in 2 CFR §200 flow down to sub-awards.

Is there a match requirement for applicants to cover a share of project costs using non-federal funds?

There is no match requirement for proposals to be funded through this NOFO. While match is not mandated, proposals are encouraged to maximize grant funding by using it to leverage contributions from non-Federal entities such as private capital, corporate funding, and philanthropy as well as partner or network resources. Program recipients (underserved landowners and landowners owning less than 2,500 acres) should not be the primary source of voluntary match if match is proposed in the budget. Please include a written description of any non-Federal contributions and signed support letters (or other form of verification).

Can funding be used for research?

Basic research is not an eligible use of grant funds. Basic research is defined in 2CFR 422.1 as, “systematic study directed toward fuller knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind.” However, technical transfer, education, and outreach activities associated with applying research are eligible activities.

Are there other ineligible activities and uses of grant funds?

Ineligible uses of funds include the following:

- Basic research as defined in 2CFR 422.1, “systematic study directed toward fuller knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind”.
  - Note: Technical transfer, education, and outreach activities associated with applying research can be included in the application.
- Construction and capital improvements including facilities, infrastructure, roads, new buildings, culverts, and boardwalks.
- Land acquisition (conservation easement and fee simple) projects.
- Small business start-up funding.
- Equipment purchases are rarely approved and will be reviewed prior to grant award. Equipment rental should be considered as an alternative. Equipment is defined as an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.
- Lobbying, litigation, or political advocacy.
- Initial resources to capitalize a revolving fund, defined as a pool of capital that can be loaned and replenished as a borrower pays back a lender.
- Cost-share, reimbursement, and other types of payment provided directly to private landowners. However, funding (and match) may be used to perform work on private lands; for example, a Tribe or Tribal organization could pay for consulting services or treatment activities to be performed on private lands with permission of the landowner.
- Profit. Profit is not an allowable expense as specified in the Uniform Guidance (2 CFR 200), with which all grant recipients must comply.
Reporting Requirements

How often will we be expected to submit reports?
Financial and narrative progress reports must be submitted with frequency determined by agency guidance and specified in final signed award documents, at least annually and not more frequently than quarterly. Applicants selected for an award should review their award agreement carefully; the award agreement will include all relevant information regarding reporting. Reports will be due 30 days after the end of each reporting period.

What should be included in reports? Are there standard report templates or forms?
Awardees should use the standard SF-425 “Federal Financial Report” form. Awardees should also submit a detailed financial report and narrative progress report; there is no required format or form for these reporting documents. Progress reports should highlight direct quantitative and qualitative investment activities and outcomes and include illustrative impact stories. Geospatial data files that outline the project area and any other relevant data will be required as part of regular reporting, with more details on these requirements to be elucidated in individual award agreements.

For-Profit Entities

Are there any different requirements that apply to for-profit entities?
All the same requirements apply regardless of entity type. We do encourage for-profit entities to include information about the history of their company and scope of current activities.

What should for-profit entities be aware of, particularly if applying for federal funding for the first time?
For-profit entities should carefully review the above-listed response to the question “What can be included in personnel rates for project budgets?” Billable rates often include expenses that should be incorporated elsewhere (e.g. indirect costs) and unallowable costs (e.g. profit). For-profit entities should also note that profit is not an allowable expense. If income is anticipated from project activities, please review the answer to the above-listed question “What if my proposed activities might or would generate income?”

Proposal Design

How should I identify underserved landowners?
See “Key Definitions” FAQs for categories of underserved landowners. Applicants and project implementers should use the White House Council on Environmental Quality’s Climate and Economic Justice Screening Tool (CEJST) to identify areas of geographic prioritization for outreach, technical assistance, and program implementation. CEJST identifies disadvantaged communities using indicators of burden. Communities that

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6 For more information, see OMB, CEQ, & CPO, M-23-09, Memorandum Re: Addendum to the Interim Implementation Guidance for the Justice40 Initiative, M-21-28, on using the Climate and Economic Justice Screening Tool (Jan. 27, 2023)
are at or above the threshold for one or more environmental, climate, or other burdens and at or above the threshold for an associated socio-economic burden are identified as disadvantaged. The tool also identifies communities as disadvantaged if they are on land within the boundaries of Federally Recognized Tribes. In addition to CEJST, the following datasets may also be utilized as complementary reference for geographic prioritization:

- The USDA Economic Research Service (ERS) Poverty Area Measures identify counties and census tracts with high (20.0 percent or more) and extreme (40.0 percent or more) poverty rates over various timeframes in the period from 1960 to 2019.
- U.S. Counties with continuous high poverty, 1960 – 2019. As of 2019, there were 304 counties—13 percent of the counties with high poverty in 1960—that consistently had poverty rates of 20 percent or more over the last 60 years (see chart [here](#)).
- Government Accountability Office (GAO) Report to Congressional Addressees on Targeting Federal Funds: Information on Funding to Areas with Persistent or High Poverty. The Government Accountability Office was asked to review federal funding allocated to persistent-poverty counties and high-poverty areas. This [report](#) examines (1) characteristics of areas with persistent or high poverty.

**Will the USDA Forest Service provide technical assistance or support (e.g. advice on species selection for reforestation efforts, relevant best practices for specific ecosystems and geographic areas)?**

Requests for technical advice and input will be evaluated on a by-project basis. Proposed projects should not rely on USDA Forest Service expertise for success. If specific technical support is requested or required for a project, please describe this clearly in the Proposal Narrative. Technical assistance may also be available through state forestry agencies and non-governmental organizations. The Forest Service will also support learning networks for grantees to promote information-sharing and dissemination of best practices.

**Other Questions**

**What is the difference between IRA Forest Landowner Support programs and existing Natural Resource Conservation Service (NRCS) programs?**

NRCS offers a wide range of programs for farmers, ranchers, and landowners. The USDA Forest Service’s mission is to sustain the health, diversity, and productivity of the Nation’s forests and grasslands to meet the needs of present and future generations. Given this focus on forests and grasslands, Congress designated IRA funding specifically for the Forest Service to support private forest landowners. For more information about NRCS’s programs, visit this page: [https://www.nrcs.usda.gov/programs-initiatives](https://www.nrcs.usda.gov/programs-initiatives)

**How should consulting foresters and other resource professionals guide private landowners to benefit from this funding opportunity?**

This funding opportunity is for entities that will in turn implement projects to benefit individual landowners. For-profit entities, including those that employ resource professionals and consulting foresters, are eligible to apply. As these projects are launched, the Forest Service intends to provide a centralized place for landowners to find information about various projects. In the meantime, resource professionals can
encourage landowners to visit this page for information on available resources: https://www.fs.usda.gov/managing-land/private-land/landowner-resources