

CAPITAL DEVELOPMENT – BUILDING CAPACITY PROGRAM NOTICE OF AWARD

Frequently Asked Questions

The following questions and answers are organized by the following headings/topics for the awards made under the Capital Development – Building Capacity Program (CD-BC). The CD-BC funding opportunity (HRSA-12-115) is available at <http://www.hrsa.gov/grants/apply/assistance/BC/>.

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GENERAL

1. Who do I contact to submit information and release conditions?

Deliverables can be submitted directly to HRSA’s Electronic HandBook (EHB). Please ensure that you upload the appropriate deliverable in response to a specific condition; this will ensure timely review and processing of your deliverable. For more information about registering in the EHBs and accessing post award submissions, please visit <https://grants.hrsa.gov/webExternal/help/hlpTOC.asp>.

For assistance using the EHBs or completing these submissions, please contact the BPHC Help Line at 1-877-974-BPHC (2742), or bphchelp@hrsa.gov. For programmatic questions, please contact the Project Officer listed at the bottom of your NOA.

2. Who is my Grants Management Specialist (GMS)? When should I contact the GMS?

Your contact in the Division of Grants Management Operations (DGMO) is listed on the final page of the Notice of Award (NOA). Contact the GMS for assistance with budget questions and if you have other questions pertaining to lease documentation, Landlord Letter of Consent, property documentation, Program Director changes, contracts/agreements, and Notices of Federal Interest.

3. Who is my Project Officer (PO)? When should I contact the PO?

Your PO is listed on the final page of the NOA. Contact the PO in order to resolve questions pertaining to NEPA/SHPO, floor plans/site plans, and scope of the project, budget, equipment list, and project site location.

TERMS AND CONDITIONS

4. How will pre-award costs be approved?

For approval of pre-award costs, recipients must submit a prior approval request through EHB. A thorough description of the costs, invoices, and any other relevant documentation should be included within the prior approval request.

Pre-construction costs incurred 90 days prior to the award date that are submitted to the GMS may be determined allowable upon review by HRSA. Approval will be based on the nature of the cost, relevance of the cost to the project, and justification for the cost being incurred prior to the award date as presented in the project narrative and the budget justification.

5. Why does HRSA have to perform an environmental review of my project?

The National Environmental Policy Act (NEPA) establishes national environmental policy and goals for the protection, maintenance, and enhancement of the environment and it provides a process for implementing these goals within the federal agencies. Federal-wide regulations for the National Environmental Policy Act are found at 40 CFR Part 1500. HRSA's procedures (approved by the White House Council on Environmental Quality) can be found at HHS Grants Administration Manual (GAM) Part 30 (<http://www.hhs.gov/hhsmanuals/read/gam/part30/>).

6. Can the CD-BC project be started immediately?

Recipients should **NOT** start their CD-BC projects until **ALL** applicable conditions have been satisfactorily met. Allowable costs that may be incurred prior to meeting all conditions of award can include pre-construction expenses for completing architectural and engineering plans, meeting licensing and permitting requirements, historic preservation consultation with SHPO/THPO, and preparing the Environmental Assessment.

7. What if we need to change the Project Director on the CD-BC grant?

To request a change of Project Director, grantees may send a message to the GMS identified on the NOA; include the grantee organizational name and C8A grant number in the correspondence.

BUDGET

8. Will a revised NOA be issued for minor re-budgeting of costs or costs re-budgeted across line item categories?

Any major change to a budget (greater than 25% of total budget or \$250,000, whichever is less) requires prior approval and may result in a revised NOA being issued. Generally, a revised budget would be requested for re-budgeting funds less than 25% of the total budget if funds are being moved to a category that did not have any funding prior to the revised budget. Note, even if a grantee's proposed rebudgeting of costs falls below the significant rebudgeting threshold identified above, grantees are still required to request prior approval, if some or all of the rebudgeting reflects either a change in scope, a proposed purchase of a unit of equipment exceeding \$25,000 (if not included in the approved application) or other prior approval action identified in Parts 74.25 and 92.30).

9. Is it possible to reallocate equipment by swapping/trading one piece of equipment we planned in our CD-BC application to purchase another?

As long as the equipment does not significantly impact the outcome of the originally proposed project, grantees may reallocate funds within the Equipment line on the project budget (Line 10 on the SF-424C) to support other types of equipment. Any minor changes to the originally proposed project should be documented as part of the grantee's quarterly reporting. As long as the costs do not exceed 25,000, grantees will not need prior approval.

Grantees will need to remember that equipment purchased with CD-BC funds must be maintained, tracked, and disposed of in accordance with 45 CFR Parts 74.34 and 92.32. Grantees should maintain documentation of all changes to the original equipment list.

10. If a revised budget is needed, does it have to account for costs incurred during the next 36 months?

The budget should account for how CD-BC funds will be utilized for the 3-year project/budget period of the award. Any pre-award costs will need to be approved and sent separately to the appropriate GMS.

DRAWDOWN OF FUNDS

11. How soon can we draw down our funds?

Grantees may draw down funds for preparation costs (e.g., environmental assessment, architectural/engineering permitting, SHPO/THPO consult) and may NOT draw down funds to pay for other costs until ALL conditions on the NOA have been satisfied. Grantees should exercise caution before committing to a construction start date prior to completion of HRSA's review and approval to lift conditions.

FEDERAL INTEREST

12. What are the requirements for Federal Interest for renovation projects?

For minor renovation projects where the project cost (total project costs minus equipment costs) is less than \$500,000, a Notice of Federal Interest is not required. For leased properties, please keep a copy of the lease agreement and a letter from the landlord stating that the health center grantee will maintain reasonable control of the property (i.e., showing reasonable access and use of the property for the required lease period) and that the site is consistent with the scope of the CD-BC project. Further, reviewing Federal Interest requests takes time, and HRSA requests patience and cooperation in the process. Recipients who are required to file a NFI must:

- File a Notice of Federal Interest with the appropriate jurisdictional records, and
- Submit a notarized and recorded copy of the NFI to the Grants Management Specialist through EHB.

NFIs must be filed prior to **starting** the construction or alteration/renovation project. A sample NFI is available for download at <http://bphc.hrsa.gov/policiesregulations/capital/>.

While alteration and renovation projects below \$500,000 do not require a Notice of Federal Interest on the property, there is still Federal Interest in real property as there is with equipment. It is expected that grantees will follow the following requirements regarding Federal Interest:

- 45 CFR 74.30 through 74.32 http://www.access.gpo.gov/nara/cfr/waisidx_07/45cfr74_07.html
- 45 CFR 92.31 http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title45/45cfr92_main_02.tpl
- HHS Grants Policy Statement S II-68, Real Property (http://www.hhs.gov/grantsnet/docs/HHSGPS_107.doc)

13. If there is already a NFI on the same piece of property that the construction will be placed upon, is the owner required to file another?

If there is an existing HRSA NFI on the same piece of property, the NFI must be amended with the additional information related to the CD-BC funding opportunity (grant number, purpose, etc.). This revised copy must be recorded with the appropriate jurisdictional records. A **notarized and recorded** copy of the revised NFI must be provided to the Grants Management Specialist via EHB. Recipients must also remember that NFIs must be filed prior to starting the construction or alteration/renovation project.

14. Where do I file and record my NFI at the local level?

The NFI must be filed against the property deed. Property deeds are usually located at the County Courthouse, County Clerks, Register of Deeds, or other equivalent recordation offices. Some counties and offices may not be familiar with the NFI process, so grantees may need to explain that a NFI is essentially a Federal lien. Because the process and locations to file property related records varies greatly between jurisdictions, HRSA is unable to provide detailed information as to how the process works within each locality. A filing guide is available at <http://bphc.hrsa.gov/policiesregulations/capital/nfifilingguide.pdf>.

The NFI must be notarized AND recorded in the lands records office or Municipal records office BEFORE a copy is sent to HRSA. A copy of a filed NFI is needed in order to lift the condition from NOAs.

ENVIRONMENTAL IMPACT

15. Is the draft EA project-specific? Since we are proposing alterations to a 10,000 square foot unit within a large existing facility, would an EA that was done earlier in 2009 be sufficient or would we need to do an EA on our proposed remodel of the interior space for use as a health center?

EAs are project specific. Some grantees that proposed alteration/renovation projects received a condition on their award informing them if a draft EA is required or if they should consult with their Project Officer to determine if one is required. If it is required, the draft EA must be specific to the proposed CD-BC project. However, general information from the previous EA could serve as a base and provide much of the information that is required in the draft EA for HRSA.

Additional technical assistance on the requirements of the draft EA can be found at:

<http://bphc.hrsa.gov/policiesregulations/capital/environmentandhistoric/capitaldevelopment.html>.

16. One of the CD-BC grant conditions for our construction project requires us to submit draft EA within 90 days of the award issue date, but we do not think we will be able to meet this deadline. Is it permissible for me to miss the 90 day deadline and submit the EA prior to drawing down construction funds?

Grantees should submit the draft EA, if required, as soon as possible. If you are not able to meet the deadline, send an email to the Project Officer identified on the NOA with your request to extend the deadline and an explanation as to why the extension is necessary; please include your grantee organization name and C8A grant number in your message. Grantees may **NOT** begin the construction project until the draft EA has been approved by HRSA.

CULTURAL RESOURCE ASSESSMENT AND HISTORIC PRESERVATION

17. What if I know that my project does not have any historic value or is affecting any historic preservation or has no detrimental environmental impact?

For all construction projects, under the National Historic Preservation Act and the National Environmental Policy Act grantees are required to provide a letter from either the State Historic Preservation Office (SHPO) or Tribal Historic Preservation Office (THPO). This determination must be made by qualified

officials regarding the property. For alteration/renovation projects, HRSA has done a preliminary review of projects and indicated, through a condition on the NOA, whether the SHPO/THPO consultation is required or if the grantee needs to consult with their PO to make this determination.

18. Is a SHPO required for our project?

Please review the conditions in the CD-BC NOA to see if a SHPO/THPO consultation is required. The State Historic Preservation Office (SHPO) is part of the Cultural Resource Assessment and Historical Preservation Review. Grantees are authorized to contact their State Historic Preservation Office (SHPO) and/or Tribal Historic Preservation Office (THPO) to obtain either:

- A letter indicating a finding of no adverse impact, or
- A draft Memorandum of Agreement (MOA) between the SHPO/THPO, grantee and HRSA detailing a plan to reduce the adverse effects. Upon approval by HRSA, it will be signed by all parties.

Additional technical assistance on historic preservation review and compliance can be found at: <http://bphc.hrsa.gov/policiesregulations/capital/environmentandhistoric/capitaldevelopment.html>.

CHANGE OF SCOPE CD-BC Grant

19. What happens if we find we want to change our original CD-BC project?

CD-BC projects must be implemented as they were proposed in the application since the CD-BC is a competitive funding opportunity. HRSA may take action to withdraw the approval and funds for the project if subsequent events lead HRSA to conclude that a project as originally proposed is ineligible or cannot be completed. Subsequent events could include, but are not limited to:

1. The identification of previously undocumented environmental or historic preservation issues that lead HRSA to conclude a project cannot be carried out;
2. The conclusion that the project cannot be completed as proposed (e.g., information submitted through the required reporting indicates that the grantee's progress is sufficiently noncompliant with the approved scope, costs, or timeline presented in the application and that completion as proposed will not be possible); or
3. The conclusion that the grantee is noncompliant with a requirement of the application guidance (e.g., the CD-BC project is not separate and distinct from another Federally-funded project; grantee does not resolve concerns to the satisfaction of HRSA).

ADMINISTRATIVE AND POLICY REQUIREMENTS

20. Where can I find more information about HHS regulations 45 CFR Parts 74 and 92 and other procurement issues?

Information regarding HHS regulations 45 CFR Parts 74 and 92 and other procurement issues can be found at: <http://bphc.hrsa.gov/policiesregulations/capital/postaward/faqprocurement.pdf>. This resource addresses issues such as avoiding conflicts of interest, contracts pre-existing the grant award, simplified acquisition, and competitive bidding.

21. What needs to be recorded if the grantee does some work through its facilities management staff ("force account labor") and where does information need to be sent?

HRSA needs a basic level of information in order to approve the work. A simple cost analysis that describes the amount the organization spent for its own labor and materials, and how this approach is cost effective given the amount a contractor would charge to do the equivalent work, is sufficient. Any supporting documentation should be sent to the GMS; please include your grantee organization name and C12 grant number in your message. More information on Force Account Labor can be found in the Force Account Labor FAQs available at <http://bphc.hrsa.gov/policiesregulations/forcefaq.pdf>.

REPORTING

22. What are the reporting requirements listed in my NOA?

The Reporting Requirements section of the NOA lists out specific deliverables that are required of all CD-BC projects. These requirements, to include the Quarterly Progress Report (QPR), allow HRSA to ensure that projects are progressing as they were proposed in the CD-BC application. Failure to comply with these reporting requirements will result in deferral or additional restrictions of future funding decisions.

Information regarding the QPR is available at <http://bphc.hrsa.gov/policiesregulations/capital/>.