

## School-Based Health Center Capital (SBHCC) Program Frequently Asked Questions

The questions and answers are organized by the following headings/topics for the School-Based Health Center Capital (SBHCC) Program. The SBHCC funding opportunity (HRSA-11-127) is available at <http://www.hrsa.gov/grants/apply/assistance/sbhcc>.

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### Summary of the Funding Opportunity

#### 1. When will the SBHCC grants be awarded?

It is anticipated that grants will be awarded on or before July 1, 2011.

#### 2. How much Federal funding can an applicant request in a SBHCC application?

Applicants can request a maximum amount of \$500,000 per application, regardless of the type or number of projects proposed.

#### 3. How much is available for the SBHCC funding opportunity in FY 2011?

Approximately \$100 million is available to be awarded in FY 2011.

#### 4. How many applications can I submit?

Only one application per organization will be considered for funding. If more than one application is submitted, HRSA will accept the applicant's last electronic submission validated by Grants.gov and/or EHB on or before the deadline date as the final and only acceptable application.

## Eligibility

### 5. What are the eligibility criteria for SBHCC funds?

For this funding opportunity, eligible applicants must be a school-based health center or a sponsoring facility of a school-based health center as defined in section 2110(c)(9) of the Social Security Act.

### 6. What is a school-based health center (SBHC)?

Section 2110(c)(9) of the Social Security Act defines a school-based health center as the following:

- Is located in or near a school facility of a school district or board, or of an Indian tribe or tribal organization;
- Is organized through school, community, and health provider relationships;
- Is administered by a sponsoring authority;
- Provides through health professionals primary health services to children in accordance with State and local law, including laws relating to licensure and certification; and
- Satisfies such other requirements as a State may establish for the operation of such a clinic.

### 7. What is a sponsoring facility?

Section 2110(c)(9) of the Social Security Act defines a sponsoring facility as:

- a. A hospital;
- b. A public health department;
- c. A community health center;
- d. A non-profit health care agency;
- e. A local educational agency; or
- f. A program administered by the Indian Health Service or the Bureau of Indian Affairs or operated by an Indian tribe or a tribal organization.

### 8. What is a local education agency?

Section 2102(a)(7) of PPACA amended Section 2110(c)(9)(B) of the Social Security Act by modifying the definition of "sponsoring facility." The new definition of

“sponsoring facility” incorporates the definition of “local educational agency” as set forth in Section 9101 of the “Elementary and Secondary Education Act.” (20 U.S.C. § 7801).

A local education agency is defined in 20 USCS §7801 as a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State, or of a combination of school districts or counties that is recognized in a State as an administrative agency for its public elementary schools or secondary schools.

**9. If our organization applies and receives an award for this school-based health center funding opportunity, will it impact our eligibility for future funding opportunities?**

SBHC sites funded for A&R or construction under the FY 2011 SBHCC opportunity will not be eligible for future SBHC capital funding opportunities in 2012 or 2013. SBHC sites receiving moveable equipment from an equipment-only project will be eligible to receive funds for A&R and construction projects under future funding opportunities.

**10. We are starting a new school-based health center; does it need to be already operational in order to apply for a SBHCC grant?**

To be eligible, the applicant must be a school-based health center or a sponsoring facility of a school-based health center as defined in section 2110(c) (9) of the Social Security Act. The applicant may propose any type of project for a school-based health center that is not yet operational, but will be operational within the two year project period.

**11. What type of school is eligible to be served by a SBHC?**

All types of schools, including (but not limited to) public, private, parochial, and charter schools, serving patients in kindergarten through grade 12 are eligible.

**12. Are school-linked health centers eligible to apply for SBHCC funds?**

Yes. For school-linked health centers, the SBHCC application must include an established agreement between the SBHC(s) and sponsoring facility, if applicable; documentation of a minimum level of service delivery at each proposed SBHC; and a defined transportation plan for how patients will access the services. Note: SBHCC funds may not be used to purchase a mobile van for purposes other than service delivery (i.e., transporting patients).

**13. My organization oversees 7 SBHC sites. Can we apply for more than \$500,000?**

No. A SBHCC application may not request more than \$500,000 regardless of the number of SBHC sites.

**14. My organization is a sponsoring facility of 7 SBHCs. Can each of the schools housing one of the SBHCs apply for a SBHCC grant?**

Yes, a school can apply for the SBHCC grant if it will be independently accountable to the Federal government for the use of the SBHCC funds and has the legal authority and the ability to administer the SBHCC funds, including independently drawing down, receiving, and reporting on the use of the funds.

**15. Are health centers funded under section 330 of the Public Health Service Act eligible to apply for SBHCC funding?**

Yes. Section 330 grantees are eligible to apply for SBHCC funds as a sponsoring facility.

**16. As an FQHC, are we permitted to apply for both the New Access Points (NAP) and SBHCC funding opportunities?**

Applicants may apply for both funding opportunities. However, the projects proposed within the applications for NAP and SBHCC must be separate and distinct. Completion of a project proposed within the SBHCC application must be able to be completed without receipt of funds from the NAP, as neither is guaranteed. It is expected that separate needs of the SBHC site will be addressed within each funding application. Funds may not be expended to alter, change, or undo any part of a project initiated with NAP funds.

**17. Are U.S. territories eligible to apply for the SBHCC funding opportunity?**

Yes, U.S. Territories are eligible to apply.

**18. Are universities eligible to apply as a sponsoring facility?**

In order for an organization to be eligible for a SBHCC grant, the applicant organization must demonstrate that the proposed school-based health center will meet the school-based health center definition outlined in section 2110(c)(9) of the Social Security Act (42 USC 1397jj(c)(9)) which states that the school-based health center must be administered by a sponsoring facility. The types of sponsoring facilities include: a hospital; a public health department; a community health center; a nonprofit health care agency; a local educational agency (as defined under section 9101 of the Elementary and Secondary Education Act of 1965 (20 USCS § 7801); or a program administered by the Indian Health Service or the Bureau of Indian Affairs or operated by an Indian tribe or a tribal organization.

In terms of a university or institution of higher learning as the applicant, since it does not fall under the definition of a local educational agency, it would have to meet one of the other criteria for a sponsoring facility. Although a university may be a non-profit organization, the requirement under the sponsoring facility definition is that the organization is a non-profit health care agency.

If a university or institution of higher learning is able to demonstrate that it meets one of the eligible types of sponsoring facilities (e.g., non-profit health care agency or hospital), it should be noted that the role of the sponsoring facility should be the main function of the organization and not solely for the purpose of applying for these grant funds.

**19. Are part time SBHCs eligible? What is the minimal number of hours that the SBHC should be open?**

There is no pre-determined number of hours that a SBHC must provide services under the Affordable Care Act.

## **Eligible Use of Funds**

**20. What types of projects are appropriate for this SBHCC funding opportunity?**

Applicants may propose up to 10 projects in a SBHCC application. These may include:

- a. Equipment-only (one per application): This project type includes moveable equipment and items with a unit cost of less than \$5000 and a useful life of more than one year. This project type also includes mobile vans for the purpose of providing services. Any equipment that is fixed or requires installation must be proposed as an A&R project. May include multiple SBHC sites.
- b. Alteration and renovation (A&R) (up to 10 per application): This project type includes work required to modernize, improve, and/or change the interior arrangements or other physical characteristics of an existing facility or install equipment. Alterations, renovations, and repairs make existing space usable for another purpose. This type of project does not increase the square footage.
- c. Construction (new site or expansion of existing site) (up to 10 per application): This project type includes—(i) adding a new structure to an existing site that increases the total square footage of the facility; and (ii) permanently affixing a structure (e.g., modular units, prefabricated buildings) to real property (i.e., land).

**21. What is the difference between alteration and renovation (A&R) and construction?**

Applicants should take great care to ensure projects are categorized correctly and appropriately. An A&R project is one which does not create new physical square footage, but somehow modifies and improves existing physical space. This may include (but is not limited to):

- Building out the shell of an existing facility;
- Renovating a portion of an existing facility; and/or
- Renovating unused space that is adjacent to a current school-based health center.

A construction project is one which increases physical square footage—either through building on to an existing facility or constructing a new facility from the ground up. This may include (but is not limited to):

- Adding a wing to an existing facility;
- Adding a floor to an existing facility;
- Constructing a brand new structure;
- Demolishing a structure and building a new one in the same location; and/or
- Permanently affixing a modular or prefabricated unit to an existing facility or land.

If an applicant wishes to implement an A&R project at the **same** site (with the same physical address) at which it is proposing a construction project (e.g., the applicant is proposing to construct a new wing to add on to a site as well as renovating an existing floor of that site) then the applicant should include and describe the A&R component **as part of** a construction project.

**22. How many projects may be proposed within an application?**

Applicants may propose a maximum of 10 projects within the FY 2011 SBHCC application. This includes a maximum of 10 A&R and/or construction projects in any combination and/or 1 equipment-only project.

**23. How many sites can be proposed per project?**

A&R and construction projects are site-specific and may only have 1 site associated with each project. Equipment-only projects are multi-site and have no maximum number of sites.

**24. What are the funding limitations for the SBHCC opportunity—is there anything in particular that cannot be supported?**

The following are considered unallowable costs that cannot be supported with SBHCC funds:

- Costs incurred prior to March 23, 2010;
- Operating costs (e.g., funding direct health care services, clinical full-time equivalents, rent, mortgage payments, equipment lease payments, moving costs, refinanced credit facilities);
- Expenditures for personnel;
- Office supplies (e.g., paper, pencils, toner, etc.); medical supplies (e.g., syringes, blood tubes, plastic gloves, etc.), and educational supplies (e.g., pamphlets, educational videotapes, etc.);
- Permanent Relocation costs; and/or
- Mobile vans for purposes other than service delivery.

**25. Can SBHCC funding be used to cover costs incurred prior to the award date?**

Costs incurred prior to the award date, but after March 23, 2010 (the date of enactment of the Affordable Care Act), that are submitted in the application 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.

**26. Can an applicant purchase modular units or trailers with SBHCC funds?**

A “trailer” is a portable vehicle built on a chassis designed to be hauled from one site to another by a separate means of propulsion (such as a car or truck). A “modular unit” is a prefabricated portable unit designed to be moved to a site and assembled on a foundation.

Modular units assembled on a permanent foundation or footings may be purchased with SBHCC funds under a construction project.

Grantees may propose to purchase a trailer under any project type.

**27. What is considered to be moveable equipment?**

Moveable equipment includes non-expendable items with a useful life of more than one year and a unit cost of \$5,000 or more (or equal to the applicant’s capitalization threshold, if less than \$5,000) that are not permanently affixed and can be easily moved, such as x-ray equipment, freezers, autoclaves, medical exam tables, dental chairs, computers, and modular workstations. Trailers or modular units set up on portable chassis for temporary use may also be considered moveable equipment. Office supplies (e.g., paper, pencils, toner, etc.); medical supplies (e.g., syringes, blood tubes, plastic gloves, etc.), and educational supplies (e.g., pamphlets,

educational videotapes, etc.) are not defined as moveable equipment and are unallowable.

**28. Can SBHCC funds be used to lease movable equipment?**

No, SBHCC funds may only be used for the purchase of movable equipment.

**29. Are mobile vans an allowable cost?**

Yes, SBHCC funds can be used to purchase a mobile van. Any mobile van purchased must only be used for the direct provision of services at sites proposed within the application. No mobile vans purchased with SBHCC funds may be used to transport patients or to pull a trailer. Applicants may not use funds to physically alter or repair any mobile vehicles currently owned.

**30. We have MOUs with 10 schools. Can SBHCC funds be used to purchase a medical/dental van that would travel between these schools as a mobile SBHC?**

Yes, a mobile van purchased must only be used for the direct provision of primary health services at sites proposed within the application. List all the sites that the mobile van will be serving within the application.

**31. My SBHC would like to purchase a mobile van. What type of project should I propose?**

Mobile vans will be proposed as an equipment-only project. If the site of the mobile van is the same as that at which an A&R or construction project is occurring, it will still be proposed under an equipment-only project.

**32. Will recipients be allowed to extend the original SBHCC project period beyond 2 years?**

If there is a need to extend the project period beyond the original two years, HRSA will work with the recipients, on a case-by-case basis, to adjust the project period. Extensions must be justified and receive prior approval from HRSA.

**33. If a school-based health center is utilizing other sources of funding to supplement a SBHCC project, do those other sources need to be in-hand or committed?**

An applicant must demonstrate how it will be able to complete the SBHCC project within the 2-year project period as well as how the school-based health center will maintain the improvements that result from the SBHCC project. It is in the applicant's best interest to ensure that completion and sustainability requirements

will be met by having any other sources of funding for the project secured by the time of application. The applicant assumes all risk associated with unsecured funds.

**34. Can SBHCC funds be used to acquire land? How about a building?**

Land or facility purchase costs are allowable uses of SBHCC grant funding only if they are associated with an eligible A&R or construction project.

**35. Can an applicant use SBHCC funds if they have already started an alteration and renovation or construction project?**

HRSA will need to evaluate these situations on a case-by-case basis. If construction has progressed to a point where an environmental and historic preservation review is not feasible, the application may not be competitive and HRSA may not be able to fund the project.

**36. It may be necessary for some applicants, to spend some money in order to get to the point of applying for the SBHCC grant. Would these costs be reimbursable?**

Pre-award (e.g., planning) costs may be proposed as part of the SBHCC application; however, as this is a competitive opportunity with no guarantee of funding, it is at the applicant's risk to incur any and all pre-award costs. Any costs incurred prior to March 23, 2010, the date of enactment of the Affordable Care Act, are not allowable.

**37. What relocation costs are allowable?**

Moving costs associated with an SBHCC project are unallowable.

Renting a space for temporary purposes while the main site is being worked on will be an allowable cost under SBHCC. Payments made to displaced persons, business concerns, and nonprofit organizations for relocation/moving expenses and replacement housing, relocation advisory assistance and the net amounts for replacement (last resort) housing, are also allowable costs. However, this is limited to approved applicants whose project involves the displacement of persons and businesses where the relocation complies with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

## **Electronic Health Records (EHRs)**

**38. Can I purchase an EHR with SBHCC funding?**

Yes, school-based health centers or sponsoring facilities may purchase new EHR systems and/or new/additional EHR licenses for an existing EHR system.

**39. What are the certification requirements for an EHR system where SBHCC funds are being used to purchase licenses?**

EHR licenses purchased with SBHCC funds can only be purchased for an EHR system certified by an organization recognized by the Secretary of HHS. More information can be found at <http://healthit.hhs.gov/certification>.

**40. What Electronic Health Record equipment is allowed?**

Equipment associated with an EHR such as computers and servers is allowed.

**41. We are a hospital that is the sponsoring facility of three school-based health centers. We would like to purchase a server to be located on-site at the hospital, so that the SBHCs are able to connect to our EHR. Is this allowable?**

Yes, SBHCC funds may be used to purchase a server located off-site in order for the SBHCs to utilize an existing EHR.

**42. Are training and installation costs associated with an EHR allowable costs?**

Training and installation costs are allowable if included in the purchase price of the EHR system.

## **Funding Preference**

**43. The guidance states that to receive the funding preference, an applicant must “serve a large number of children eligible for Title XIX and Title XXI of the Social Security Act, or a waiver under Title XIX.” Can you further define these titles?**

Title XIX is Medicaid and Title XXI is the Children’s Health Insurance Program (CHIP). Individual States may call these programs by other names (such as Healthy Families). Also, several States have permission from the Federal government to waive specific Medicaid requirements; these states are said to have “waivers.”

**44. Are there guidelines for determining what constitutes a “large number” of children eligible for Medicaid and CHIP (i.e., Titles XIX and XXI)?**

HRSA has not established a specific threshold for the number or the percentage of children eligible for Medicaid or CHIP that an applicant must serve in order to request the preference. Each individual applicant must determine whether they serve a “large number” of children who are eligible for Medicaid—whether the State operates a regular plan or under a waiver.

**45. The preference language refers to “children.” Do middle and high school aged students count as children for purposes of the preference?**

The applicant may choose to count middle school and high school age students as “children” for purposes of the preference. This is consistent with the definitions used in Medicaid and CHIP.

**46. Can I count children who are eligible but not enrolled in Medicaid and CHIP for purposes of this preference?**

An applicant may choose to request the preference based on children eligible and/or enrolled in Medicaid and CHIP.

**47. What happens if I do not request the preference?**

Applicants that do not request the preference will be reviewed and scored using the same process and criteria as all other applications that meet the eligibility requirements. However, all approved applications (i.e., those that scored above the minimum threshold) that requested the preference will be funded before any approved applications that did not request the preference.

**48. How do I indicate that I am requesting the preference?**

Applicants requesting the preference must indicate the request when completing the proposal cover page within the HRSA Electronic Handbook.

## **Application**

**49. What is the timeline for the SBHCC funds?**

The grant project period is anticipated to start July 1, 2011 and end June 30, 2013.

**50. Grants.gov states that the SF-424 Disclosure of Lobbying Activities (LLL) form is optional, while the funding opportunity guidance says it is required. Is our organization required to submit this form?**

The Certification Regarding Lobbying should be completed in grants.gov as part of the required application. If the applicant organization participates in lobbying activities, the Disclosure of Lobbying Activities must also be completed and uploaded within EHB.

If the applicant organization does not participate in lobbying activities, the LLL should not be submitted.

**51. Is a Public Health System Impact Statement required or applicable?**

A Public Health System Impact Statement is not required to be completed or distributed for this funding opportunity.

**52. How do you define “site” in the SBHCC application?**

A site is the physical location where school-based health care services are provided.

**53. Can two separate sponsoring facilities propose separate applications to fund the same SBHC, if funds are requested for separate projects to meet different needs of the SBHC?**

No, a SBHC site may not be duplicated in applications from multiple sponsoring facilities.

**54. Does the applicant need to know the exact site at which a project is proposed prior to submitting the application?**

Yes, the complete address for the SBHC site must be submitted in the application.

**55. What is a sub-recipient as defined for Form 5B Service Sites?**

*Sub-recipient* means an award of financial assistance made under an award by a recipient to an eligible sub-awardee. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract, but does not include procurement of goods and services nor does it include any form of assistance not allowable under the award.

**56. If a section 330 grantee applies as the sponsoring facility and adds a new site through Form 5B, is it automatically added to the Scope of Project?**

No, all section 330 grantees must request a change in scope to add sites.

**57. Is the applicant required to have a Medicaid/Medicare/Medicaid Pharmacy billing number to apply?**

No, this field may be left blank if it does not apply to the Scope of Project.

**58. **NEW!** Our SBHC is open from September through May, coinciding with the school year. When this information is entered into the Form 5B: Service Sites, we receive an error stating that months of operation cannot cross calendar years. How should the correct months of operation be entered?**

The months of operation should be entered so that it covers one calendar year. For example, this organization would enter January through May and September through December on the Form 5B: Service Sites.

- 59. How do I forecast the following:**
- a. Total number of patients to be served.**
  - b. Total number of additional, unduplicated patients served.**
  - c. Total number of additional visits.**
  - d. Total number of uninsured patients to be served.**

Applicants should project these numbers based on activities at the SBHC within a 12-month period following completion of all SBHCC projects. For example, if your application requests funding for construction to be completed in June 2013, you should forecast the additional patients and visits that may occur between July 2013 and June 2014.

- 60. NEW! The description for the Project Management and Project Description sections in the guidance only pertain to alteration and renovation and construction projects. If we are proposing an equipment-only project, do these sections need to be completed within EHB?**

Yes, the Project Management and Project Description sections must be completed for all project types, including equipment-only projects. The current descriptions include information that should be addressed, if applicable, but are not exhaustive.

- 61. Who can be listed as the Project Manager?**

The Project Manager is responsible for the administrative direction and oversight for the project. The Project Manager may also be the Authorizing Official.

- 62. Can the Project Manager be a contractor?**

Yes. The project manager may be a contractor that is responsible for overseeing the day-to-day activities of the project.

- 63. What is clinical versus non-clinical equipment?**

Clinical equipment is used in the direct delivery of health care services, whether diagnostic or therapeutic. Non-clinical equipment would encompass all other equipment that is used to meet the day-to-day-operations of the site.

- 64. UPDATED! What information is needed for the equipment list?**

For the purpose of the SBHCC application equipment list, include only moveable equipment with a per unit cost greater than \$5000. Equipment should be relevant and appropriate to the identified needs of the school-based health center. Applicants will need to provide information in the equipment list such as an item description, unit price, quantity, total price, and the type of equipment. Applicants will need to identify equipment type as one of the following: clinical, non-clinical, EHR, or mobile van. The list should include all moveable equipment associated with each project,

regardless of project type. Fixed equipment associated with A&R and construction projects should not be included in this list.

**65. Should applicants upload additional attachments?**

The page limit is 80 pages or 10 MB, for the entire application. This limit does not include standard forms, including the SF-424 forms. Within this page limit, an applicant may submit additional attachments.

**66. Is a letter of intent required?**

No. A letter of intent is not required for this funding opportunity.

**67. How should attachments be formatted?**

All attachments must be provided to HRSA in a computer-readable format (i.e., do not upload text as images); to the extent possible, HRSA recommends PDF files but will accept Microsoft Word or Excel files, as well. Please do not use spaces or special characters when naming files.

**68. Is there a specific order required for the assembly of the application?**

Yes. All applications should follow the order described in the funding opportunity announcement, HRSA-11-127.

**69. In the case where existing facilities/sites are to be altered/renovated/repaired, does the current status of the space need to be described?**

Yes. A description of the current conditions of the space to be improved should be provided in the Need section, as well as the age of the existing space, deficiencies in the current space, and the current number of patients served. Applicants should also include descriptions of how the requested improvements will correct these deficiencies/problems. For modifications to the existing facility, describe how the proposed project(s) will accommodate the proposed functions and the requested equipment. Also provide an explanation of how the proposed improvements will expand, improve, or maintain existing school-based health center activities and how future needs would be accommodated by the SBHCC request, including additional patients served.

**70. The project management section says, “Describe how an alternatives analysis will be conducted and the rationale for selection.” What does this mean?**

Describe all of the possible solutions that were considered by the applicant organization and the SBHC to address the identified needs and how/why the proposed project is the best option.

**71. Is input of the square footage of the space required for equipment-only projects?**

No, a value for square feet should only be entered for A&R and construction projects.

**72. Who should complete and sign the EID checklist?**

The Authorizing Official may complete and the sign the EID checklist. The AO is strongly encouraged to seek clarification and consultation in fully understanding the information requested and the accuracy of the responses to the checklist.

**73. **NEW!** The description for Attachment 8: Summary of Contracts and Agreements is different on page 10 of the guidance than page 17, which description should applicants follow when writing the application?**

Applicants should refer to the table on page 10 of the guidance when submitting Attachment 8: Summary of contracts and Agreements (as applicable per project.)

All applicants with any current or proposed agreements must upload a BRIEF SUMMARY describing these agreements. Applicants DO NOT need to provide service contracts for continuing facility maintenance such as janitorial services. It is suggested that each summary not exceed 3 pages in total. The summary should address the following items for each agreement:

- Name and contact information for affiliated agency(ies);
- Type of agreement (e.g., contract, arrangement, affiliation agreement);
- Brief description of the purpose and scope of the agreement (i.e., type of services provided, how/where these are provided);
- Timeframe for the agreement/contract/ affiliation.

**74. **NEW!** To whom should letters of support be addressed?**

Letters of Support should be addressed to the Health Resources and Services Administration and should be uploaded where indicated in the EHB application. Letters of Support are not required to be mailed to the agency. Note, only those letters of support that are submitted with the application will be included in the application review. Letters of support that are sent directly to HRSA will not be attached to the application prior to review.

## Budget

**75. Does the requested budget have to be for 24 months?**

The proposed budget must be for a 24-month period, regardless of whether the applicant intends to complete the project prior to the project end date of June 30, 2013.

- 76. Is the \$500,000 maximum for the entire two-year budget/project period or can applicants request \$500,000 per year for the two-year budget/project period, for a total request of \$1,000,000 in Federal funds?**

Applicants can request a maximum amount of \$500,000 per application for the entire two-year budget/project period.

- 77. Do applicants submit one budget for all SBHC projects?**

Yes. Applicants must provide a separate budget for each construction-related project proposed. Equipment-only projects will only have one budget, regardless of the number of sites proposed within the project.

- 78. What is the Federal share percentage that is calculated on the SF-424C (construction programs) budget?**

This is a standard calculation that is required for the SF-424C Budget. The EHB system will automatically calculate the Federal share percentage based on the amounts the applicant enters on Lines 16c (Total Project Allowable Cost) and 17c (Total Project Allowable Cost-Federal Funding) of the budget.

- 79. How should dollar amounts be entered on the SF-424C Budget?**

Amounts should be rounded to the nearest whole dollar.

- 80. Can the budget (and therefore the narrative) for a SBHCC grant include costs for the operation of the SBHC?**

No. No operational cost may be included as part of the SBHCC application. The budget and narrative submissions for a SBHCC grant should include only those costs directly related to the contraction, alteration/renovation and/or equipment projects included in the application.

- 81. Is the allowable contingency 5 percent of construction cost plus 5 percent of equipment cost, or is it 5 percent total?**

For SBHCC, the contingency cost (Line 13 of the SF-424C budget form) is limited to 5 percent of Line 9c and permanently affixed equipment listed under line 10c. However, the contingency must be reduced to 2 percent of the construction line after the contract is awarded. The contingency cost should not include moveable equipment.

**82. Is there a dollar limit under the Miscellaneous category of expenses?**

On SF-424C, Line 11c is limited to no more than 10 percent of Line 16c (total cost). If Line 11c is greater than 10 percent of Line 16c, the applicant must explain and identify the Miscellaneous items in the budget justification.

**83. How should moveable equipment be entered on the SF-424C?**

All moveable equipment should be entered on line 10 Equipment.

**84. How should items with a unit cost of less than \$5000 with a useful life of more than one year be entered on the SF-424C?**

All items with a unit cost of less than \$5000 and a useful life of more than one year should be entered on line 11 Miscellaneous.

**85. Can you provide more instruction on how to prepare the budget justification?**

A budget justification is required for each project. The budget justification must clearly identify and describe each cost element in the budget, and provide sufficient narrative detail to explain how each cost element contributes to the goals and objectives of the SBHCC project. Further, if there are additional sources of funding, applicants should identify which costs will be covered by the Federal SBHCC grant. Please refer to sample SBHCC budget justification available at <http://www.hrsa.gov/grants/apply/assistance/sbhcc>.

**86. Will projects with additional sources of funds (equity and/or debt) be more competitive than projects that request SBHCC funding for all allowable costs? Should the applicant request SBHCC funds at a certain percentage of the total project cost?**

Applicants should request funds that are adequate, necessary, and reasonable to make the application competitive. Applications will be reviewed independently by the Objective Review Committee based on the review criteria outlined in the funding opportunity announcement. We encourage applicants to carefully review the criteria to ensure that they submit strong applications that meet or exceed the established criteria.

**87. For total project costs, should I list all other sources of funding or should I list only the sources that are supporting allowable costs?**

On the Funding Sources form, applicants should list any other sources of funding for all costs (both allowable and unallowable) on Lines 3a-3e (Columns a, b, and c, as appropriate). If there are additional sources of funding, sufficient narrative detail must be provided in the Budget Justification.

**88. NEW! How should in-kind costs be included in the overall project budget and entered into the application?**

The estimated value of in-kind services should be included in the “other allowable costs” and “un-allowable costs” columns of the budget justification, depending on the nature of the cost (refer to the allowable cost chart on pages 31-35 of the guidance). These costs should also be accounted for in the “Other Sources of Funding” section of the project.

**89. NEW! What indirect costs are allowable for this funding opportunity (HRSA-11-127)?**

Indirect costs are not allowable under the SBHCC (HRSA11-127) funding opportunity.

## **Federal Interest and Leasehold Improvements**

**90. Is a Notice of Federal Interest required?**

Yes. Notice of Federal Interest (NFI) filings are required for ALL SBHCC construction projects.

Each SBHCC alteration and renovation project having a total (Federal and non-Federal) allowable project cost of more than \$500,000, excluding moveable equipment costs is also required to file an NFI.

Applicants that are not required to file a (NFI) understand that the Federal interest exists irrespective of the filing of the NFI and for alteration and renovation projects less than \$500,000; the award recipient shall maintain adequate documentation regarding protection of all Federal interest. This will include communications with a lessor related to protecting such interest, in accordance with the standard award terms and conditions. Such documentation should be available for subsequent review.

**91. When is an NFI required to be filed? Must it be submitted with the application?**

If an NFI is required, the applicant must submit the NFI after award of the grant, but prior to beginning the project.

Any existing NFIs on the property should be submitted as an attachment within the EHB application.

**92. What is required in an NFI?**

A sample NFI is available at

[http://bphc.hrsa.gov/recovery/cip/postaward/Sample\\_NFI\\_for\\_CIP.pdf](http://bphc.hrsa.gov/recovery/cip/postaward/Sample_NFI_for_CIP.pdf).

**93. Will the value of the Federal interest change over time, especially as the useful life of the renovation/alteration/repair expires?**

All construction projects and each SBHCC alteration and renovation project having a total (Federal and non-Federal) allowable project cost of more than \$500,000, excluding equipment costs, require filing of a Notice of Federal Interest (NFI). The Federal interest would depreciate with the fair market value of the alteration and renovation made to the asset.

HRSA acknowledges that the physical value of grant supported renovations/alterations/repairs may depreciate over time. HRSA will work with grantees to recognize the changing physical depreciation of improvements and other activities made by the grantee or property owner of the facility.

**94. The SBHCC grant award will require that the facility owner file a Notice of Federal Interest (NFI) against a facility deed. What if the owner wants to secure additional mortgages, lease the facility to an entity that does not provide healthcare, or sell the facility?**

All construction projects and each SBHCC alteration and renovation project having a total (Federal and non-Federal) allowable project cost of more than \$500,000, excluding equipment costs, require filing of a Notice of Federal Interest (NFI). A NFI is essentially a lien that protects the Federal and public interests in the real property being used to deliver health care services. After a NFI is filed against the property, activities such as new mortgages, selling the facility, or leasing the facility to an entity that does not provide healthcare, requires prior approval from HRSA. The NFI will not affect existing mortgages or modifications being made to the facility. Prior approval must come in the form of a written request from the applicant to HRSA, either by letter or by email, with the following information:

- What is the action that the owner is requesting from HRSA (permission to secure a new loan, transfer to another site, etc.)?
- What is the action that the owner wants to undertake (new loan, refinancing, expansion, sale, etc.)?
- If applicable, details of the project financing (the combination of loans and internal funding), or proposed sale (whether there is an identified buyer, the proposed sale price).
- Copy(s) of all HRSA Notice(s) of Federal Interest, associated Notice(s) of Grant Award, and/or funding information associated with the NFI. A copy of the deed, with a legal description of the property, to which the Federal Interest is attached.
- Appraised value of the property at the time of project completion.

- Terms of the proposed loan, i.e., interest rate, period of loan, amortization schedule.
- Latest audited Financial Statements.

**95. Will HRSA take a subordinate position to existing mortgage holders and lenders on potential debt financing for SBHCC projects?**

HRSA's Notice of Federal Interest (NFI) is subordinate to all pre-existing mortgages or obligations recorded against the property. The NFI is also subordinate to loans and obligations identified in the SBHCC application as sources of financing for the project. Future modifications and new mortgages and obligations will require prior approval.

**96. What is considered adequate documentation to be retained by the applicant organization as it pertains to Federal Interest?**

Real property and equipment Asset/Inventory management systems should track what improvements were made with Federal funds; this would include the total amount of funds expended, and the Federal contribution. For real property, retain a copy of the lease documentation, and the NFI (as applicable).

**97. Are leasehold improvements allowable?**

Leasehold improvements are allowed under the SBHCC. For the purposes of leased properties under the SBHCC funding opportunity, please note that funds for a leased property cannot address needs that are part of the terms of the lease (are the obligation of the lessor). If funds are intended to make physical improvements (e.g., alteration and renovation of space, a photovoltaic (PV) roof system or double paned windows) applicants must have evidence of negotiated offset in the rent.

If the proposed project site involves construction or renovation of a leased site, the applicant must provide a signed Landlord Letter of Consent from the facility owner.

The Landlord Letter of Consent from the facility owner referenced above must address the following components:

- Approval of the scope of the SBHCC project;
- Agreement to provide the school-based health center reasonable control of the project site for the appropriate amount of time (insert lease length table); and
- Agreement to file a NFI in the land records of the local jurisdiction before the project begins if the SBHCC project is a either:
  - A construction project or,
  - An alteration and renovation project having a total (Federal and non-Federal) allowable project cost of more than \$500,000, excluding equipment costs.

For alteration and renovation and equipment-only projects less than \$500,000, the award recipient shall maintain adequate documentation regarding protection of all Federal interest. This will include communications with a lessor related to protecting such interest, in accordance with the standard award terms and conditions. Such documentation should be available for subsequent review.

**98. When and why does it matter if I own or lease the site(s) at which I'm proposing projects?**

An applicant must demonstrate site control to ensure that the proposed projects can be completed and that the benefit to the school-based health center will be realized. When a Notice of Federal Interest is required, applicants that own the project site/facility will directly file a NFI when the project begins. Applicants that lease the project site/facility will need to provide a Landlord Letter of Consent from the facility owner that proves the owner (1) agrees to the project, (2) agrees to provide the applicant site control.

**99. Does a lease or deed need to be available at the time of application?**

No. However, should an applicant be awarded SBHCC funding, all documents that demonstrate that the applicant has site control must be available prior to the applicant starting the project(s).

**100. Can I propose to construct a new building on leased land?**

Yes, applicants may propose construction on leased land. Please note, this is still considered a leasehold improvement and the parameters described on page 5 of the guidance apply to this type of project. These parameters include the need for a Statement of Agreement from the property owner, including agreement from the owner to file a NFI.

## Review

**101. Will projects be funded for less than the requested amount if they are less competitive or if there are substantially more eligible applications than available funds?**

Applications will be funded at the amount of eligible costs requested in the grant application. Application requested amounts will not be reduced for less competitive applications or if there are more applications than available funds.

**102. If an application proposes multiple projects, but one is found to be ineligible, is it possible for one project within the application to be awarded and not the other?**

No, grant applications will be assessed for eligibility and completeness in their entirety.

**103. How will the SBHCC applications be reviewed?**

SBHCC applications will be subject to internal and external HRSA reviews. The internal review will assess completeness and eligibility. These applications will also be reviewed by an external Objective Review Committee (ORC) to assess technical merit. The review criteria outlined in the SBHCC guidance (HRSA-11-127) will be used by the ORC to review and rank applications.

**104. What are the relevant qualifications of the reviewers?**

HRSA maintains a large database of reviewers that are selected based on the type of grant that is being reviewed. Each reviewer will be screened to avoid conflicts of interest. Review committee members are responsible for providing an objective, unbiased evaluation based on the criteria that have been established for this funding opportunity.

## **Electronic Submission Requirements**

**105. How do I access the SBHCC application package from Grants.gov?**

To access the FY 2011 SBHCC funding opportunity announcement:

- Go to <http://www.grants.gov/> and click on the red tab labeled “Apply for Grants.”
- Under the “Apply for Grants” webpage, click on the hyperlink for “Apply for Grants.” This will take you to the “Download Application Package” webpage.
- Under the “Download Application Package” webpage, enter the HRSA Announcement Number, HRSA-11-127.
- Click on Download under the “Instructions and Application” heading to access the application package.

**106. How are applications submitted?**

Applications must be submitted electronically through BOTH Grants.gov and HRSA’s EHB. Applicants must submit to grants.gov and receive a tracking number through grants.gov before beginning the application within EHB.

**107. What is the deadline for this opportunity?**

The due date for applications under HRSA-11-127 is December 1, 2010 at 8:00 PM ET in grants.gov and January 12, 2011 at 5:00 PM ET in HRSA’s EHB.

**108. How do I register for Grants.gov?**

Instructions for Grants.gov registration can be found at <http://www.hrsa.gov/grants/userguide.htm>. Registration in Grants.gov is required. As registration may take up to a month, start the process as soon as possible. Call Grants.gov at 800-518-4726 between 7:00 AM and 9:00 PM EST for technical assistance.

**109. How do I register for HRSA Electronic Handbooks (EHB)?**

Instructions for EHB registration can be found at <http://www.hrsa.gov/grants/userguide.htm>. For technical assistance contact:

- HRSA Call Center at 877-464-4772 between 9:00 AM and 5:30 PM EST or by email at [CallCenter@hrsa.gov](mailto:CallCenter@hrsa.gov).
- BPHC Helpline at 1-877-974-BPHC (2742) weekdays from 8:30AM to 6:00PM EDT or by email at [bphchelpline@hrsa.gov](mailto:bphchelpline@hrsa.gov).

**110. How will I know if my application has been received?**

If an application is successfully submitted, there will be an acknowledgment of receipt from grants.gov and the HRSA EHB. The applicant organization will receive verification via e-mail from Grants.gov and the submitting authorized official (AO) receives the EHB acknowledgment via an email transmittal.

**111. Our organization submitted an application in grants.gov and EHB for the School-Based Health Center Capital (HRSA-10-276) equipment funding opportunity, which was later cancelled. Is it possible to retrieve the application information from grants.gov and EHB?**

No, it is not possible to retrieve applications for cancelled funding opportunities from grants.gov or EHB.

**Program Administration**

**112. Does Executive Order 12372 (Intergovernmental Review of Federal Programs) apply to the HRSA-11-127 funding opportunity?**

The SBHCC Program is not subject to the provisions of Executive Order 12372.

**113. Is there any formal notification of a SBHCC award from HRSA?**

Yes, funded applicants will receive a Notice of Award (NOA) from HRSA on or about July 1, 2011.

**114. Define what is meant by “maintain documentation of the organization’s acquisition strategy.”**

Applicants must be able to document the organization’s acquisition/procurement strategy for the purchase of equipment related to the SBHCC project. Applicants will need to keep and document decisions, quotes, invoices, etc.

**115. What procurement rules and requirements are applicable to SBHCC grant recipients?**

SBHCC grantees may use their own procurement procedures that reflect applicable State and local laws and regulations, as long as those procedures conform to the minimum requirements outlined at the following applicable U.S. Department of Health and Human Services (HHS) regulations:

- Institutions of Higher Education, Hospitals, Other Nonprofit Organizations, and Commercial Organizations must follow 45 CFR § 74.40 through § 74.48
- State, Local and Tribal Governments must follow 45 CFR Part 92, § 92.36 (a) through (i).

**116. Please clarify when it is allowable to hire/contract without competitive bidding?**

The Federal threshold for simplified acquisition procedures for the procurement of goods and services is \$150,000. Contracts at or below \$150,000 secured under the simplified acquisition procedure must document that the grantee took actions to ensure that it is receiving the best price for the services/goods purchased (e.g., document three (3) separate price quotes for equipment and justify why one was chosen).

**117. We are a hospital applying as the sponsoring facility of an SBHC. We are proposing an A&R project within the application and would like to use the services of an architect that is a direct employee of the SBHC, is this allowable?**

The preferred method for accomplishing construction development is by soliciting for competitive bids and then selecting the lowest responsive and responsible bid (where the contractor has adequately responded to the terms, conditions, and specification of the bid and has the capability to satisfactorily perform the contract). However, some grantees may wish to accomplish construction using their own work force (force account). The grantee must justify the use of force account by demonstrating that it would be cost effective and that qualified personnel are available to accomplish the work. Further information is available at <http://bphc.hrsa.gov/capital/FAQ--ForceAccountLabor.pdf>.

**118. Do all funds have to be spent by the end of the project period?**

Applicants must incur all costs for the grant funded project(s) by the end of the 2-year project/budget period.

**119. How will SBHCC recipients access their funds?**

Recipients will access SBHCC funds via the Payment Management System. Once funds are awarded, SBHCC grantees may seek additional information regarding the drawdown of awarded funds, by contacting the appropriate account representative at 1-877-614-5533 or <http://www.dpm.psc.gov/>.

**120. Can I draw down all the funds immediately after they are awarded, even if we will not begin the project for at least 6 months?**

Recipients should draw down funds based on when costs of the SBHCC project are scheduled to be paid. Funds should not be drawn when costs are incurred, but when the costs are paid.

**121. Can we store our equipment purchases until a later date?**

Equipment purchased with the SBHCC funds must be used to deliver services to the intended population within the two year project period.

**122. If I am using both Federal and additional sources of funding to purchase equipment from one vendor for a combined total of \$152,000, what do I need to know about procurement and contracts?**

Contracts above the simplified acquisition threshold of \$150,000 must be competitively and openly bid to the maximum extent possible.

**123. Why do I need to complete the Assurances document if I am not doing construction?**

The SF-424D Assurance Form also covers non-construction activities that would take place in conjunction with construction activities, such as purchase of equipment.

## Reporting

**124. What are the reporting requirements?**

SBHCC grant recipients must comply with audit requirements of OMB Circular A-133. Information on the scope, frequency, and other aspects of the audits can be found at <http://www.whitehouse.gov/omb/circulars>.

Grantees must also submit a quarterly electronic Federal Financial Report (FFR) Cash Transaction Report via the Payment Management System. The report identifies cash expenditures against the authorized funds for the grant. The FFR Cash Transaction Reports must be filed within 30 days of the end of each quarter. Failure to submit the report may result in the inability to access award funds. Go to <http://www.dpm.psc.gov/> for additional information.

The awardee must submit a progress report to HRSA on a semi-annual basis through the EHB, including:

- Project completion status (percent complete);
- Actual versus projected budget information—uses of SBHCC grant funds;
- Project Implementation Certification;
- Bonding/Insurance Coverage Certification (as applicable);
- Construction Schedule; and
- Earned Value Management.

A closeout report is required within 90 days of the completion of the SBHCC project period. The report must include the following items:

- Photos of the completed project, including “before” photos;
- A certificate of substantial completion;
- A certificate of occupancy; and
- A letter stating that the project was completed in accordance with previously certified contract documents and in accordance with all applicable Federal statutes and regulations.

#### **125. What documents must be submitted when all projects are completed?**

A Federal Financial Report (SF-425) is required within 90 days of the end of each budget period.

In addition, a closeout report is required within 90 days of the completion of the SBHCC project(s). The report must include the following items:

- A letter stating that the project was completed in accordance with all applicable Federal statutes and regulations;
- Identify the site(s) that received equipment;
- Tangible Personal Property Report (SF-428); and
- Final budget.

#### **126. What happens if an applicant is awarded SBHCC funds and needs to change the location of the project?**

The grantee may only change the location of the project with prior approval from HRSA. All prior approval requests must be submitted through EHB.

## Other

### **127. What do "green" technologies involve in reference to the SBHCC funding opportunity?**

It is strongly recommended that grantees employ the standards of the Electronic Product Environmental Assessment Tool and Energy Star, where practicable, in the procurement of equipment. Following these standards will mitigate many short and long term negative impacts on human health and the environment from the proliferation, rapid obsolescence, low recycling rate, high energy consumption, and potential to contain hazardous materials, and increased liability from improper disposal.