Capital Development-Building Capacity (CD-BC) Program

Application Frequently Asked Questions

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

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Summary of the Funding Opportunity

1. What is the purpose of the CD-BC funding opportunity?
The Capital Development-Building Capacity Program (CD-BC) is a funding opportunity under the Patient Protection and Affordable Care Act (Affordable Care Act) ((P.L. 111-148), Title X, Section 10503(c)). Funds are available to support Health Center Program grantees to improve their capacity to provide primary and preventive health services to medically underserved populations.

2. When will the grants be awarded?
It is anticipated that grants will be awarded on or around April 1, 2012.

3. What are the dates of the project/budget period?
The project period is anticipated to be April 1, 2012 – March 31, 2015.

4. How much Federal funding can an applicant request per application?
Applicants can request a minimum amount of $500,000 and a maximum amount of $5,000,000 per application.

5. How much is available for the CD-BC (HRSA-12-115) funding opportunity in FY 2012?
Approximately $600 million is available to be awarded in FY 2012.
6. How many applications can a health center 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 HRSA’s Electronic Handbooks (EHB) on or before the deadline date as the final and only acceptable application.

7. May multiple projects be submitted as part of the application?
No, an application may contain only one site-specific project. All project-related A/R and/or construction work, as well as all equipment to be purchased, must occur or be used at the proposed site.

8. Does the whole project need to be completed (i.e., Certificate of Occupancy) by the end of project/budget period?
HRSA considers a project completed when the site is ready to be opened and operational. Applicants are requested to submit a project that can be reasonably completed within the three-year budget/project period. The project schedule should allow for HRSA reviews and approval, local project approval, site and building permits, bidding and, if applicable, securing of financing for all non-Federal funds. All funds must be obligated by the budget/project end period.

9. What is the difference between “obligated” and “expended”?
The term “obligated” means that the grantee has incurred an expense that may be charged to the grant, but the expense has not yet been paid. The term “expended” means that the grantee has actually drawn grant funds to pay the obligated expense. At the end of the budget period, grantees have 90 days to expend funds for obligated expenses.

10. Will recipients be allowed to extend beyond the original project period?
Grantees are expected to complete the project within the three-year budget/project period.

Eligibility

11. What are the eligibility criteria for CD-BC funds?
Applicants must meet ALL of the following criteria:
   a) Applicant is an existing health center that has had an application approved for grant support in FY 2011 under the Health Center Program (sections 330(e), (g), (h), and (i)).
   b) Application request for funding as presented on Public Health Service (PHS) Form 5161-1: Standard Form (SF)-424C is equal to or greater than $500,000 and equal to or less than $5,000,000.
   c) Construction activities associated with the project will not begin prior to the award date.
   d) The project will not be used to support space which will be rented to other entities for the purpose of generating revenue. The project space must be operated by the grant recipient to support services consistent with section 330 of the Public Health Service Act.
   e) The proposed project(s) cannot be a sub-recipient or contractor site.
   f) The proposed project cannot be at a site that is requesting funding through the Capital Development-Immediate Facility Improvements (CD-IFI) Program.
   g) The applicant organization did not receive an award through either the FY 2010 Facility Investment Program (FIP) or FY 2011 Capital Development (CD) funding opportunities.
12. **What is the difference between a health center site and health center?**
A health center generally refers to the grantee organization. A health center may have multiple health center “sites,” which are the actual locations where health center operations and service delivery take place.

13. **If a health center received funding under a 2009 FIP grant or a FY2011 CD grant can it apply for this grant?**
No, if a health center received a FIP or CD grant award, the health center is not eligible to receive CD-BC funds.

14. **If a health center site received funds through FY 2009 Capital Improvement Program (CIP) for alteration/renovation or construction, can my health center propose a project at this site?**
Yes, if a health center site received a CIP grant award in 2009-2011 for alteration/renovation or construction, the site may be proposed for the CD-BC funding opportunity.

15. **New! Can I propose a CD-BC project at a CIP site?**
A CIP site may be proposed for the CD-BC opportunity. However, CD-BC proposals for sites that had CIP supported construction or alteration/renovation/repair, must clearly demonstrate that the purpose of CD-BC project is to support further enhancements at the site. Proposed CD-BC projects may not complete, duplicate, or undo work proposed in the CIP project. Construction and alteration/renovation/repair projects proposed under CIP are expected to be completed and operational by the end of the CIP project period.

16. **If a health center site received FY 2009 CIP funds for an equipment-only project, i.e., movable clinical/non-clinical equipment, EHR license purchase, IT equipment and etc., can that site be proposed for this grant?**
Yes, a health center site which received funding through CIP for a moveable equipment-only project may be submitted under this funding opportunity.

17. **If a health center receives a CD-BC grant for a site at which CIP improvements are occurring, will I be able to “update” my CIP project?**
No. Funds awarded under the American Recovery and Reinvestment Act cannot be reprogrammed for other activities for which they have already been approved.

18. **Can a health center apply for more than $5,000,000?**
No, an applicant may not request more than $5,000,000.

19. **Can a health center propose a new health center site?**
Yes. The CD-BC opportunity will support construction and alteration/renovation projects for new and existing sites.

20. **Can an applicant add additional services to their section 330 approved scope of?**
Yes, an applicant can add additional services that are not currently in the section 330 approved scope of project. However, this must be done outside of the CD-BC application process. Applicants must follow the procedures outlined in Policy information Notice (PIN) 2008-01, available at http://bphc.hrsa.gov/policiesregulations/policies/pin200801.html, and submit a Change in Scope request.
21. **Can an applicant convert an administrative-only site to a service delivery site?**
Yes, applicants must describe these changes in the appropriate sections of the Project Cover Page and must submit a Change in Scope request to reflect this scope change after the Notice of Grant Award (NGA) is issued. Applicants must follow the procedures outlined in PIN 2008-01, available at [http://bphc.hrsa.gov/policiesregulations/policies/pin200801.html](http://bphc.hrsa.gov/policiesregulations/policies/pin200801.html), and submit a Change in Scope request.

22. **Are U.S. territories eligible to apply for the CD-BC funding opportunity?**
Yes, U.S. territories are eligible to apply.

### Eligible Use of Funds

23. **What types of projects are appropriate for this funding opportunity?**
Applicants may only propose Alternation and Renovation (A/R) or Construction projects in a CD-BC application. Projects may include the purchase of moveable equipment relevant to the proposed project. This funding opportunity does not support equipment-only projects.

24. **What is the difference between Alteration/Renovation (A/R) and Construction?**
   a. **Alteration and Renovation project:** An A/R project can consist of associated work required to modernize, improve, and/or reconfigure the interior arrangements or other physical characteristics of a facility; work to improve and/or replace exterior envelope; work to improve accessibility (such as sidewalks and ramps) and/or life safety requirements in an existing facility. This type of project would not increase the total square footage of an existing building, and does not require ground disturbance or footings. Other activities that may be included under the definition of A/R are:
      - Minor parking lot renovation, such as resurfacing or restriping
      - Adding a covered walkway, which may require footing and ground disturbance
      - Adding a sidewalk or an accessible ramp, which may require footing and ground disturbance
   
   b. **Construction project:** A construction project will increase 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
      - Permanently affixing a modular or prefabricated unit to an existing facility or land
      - Expanding parking beyond existing surfaced parking area

25. **If an applicant wishes to propose projects at two adjacent buildings and or/properties, how many project should be proposed within the application?**
The CD-BC project must be clearly linked to one site. If the buildings/properties share the same physical address, then the applicant should propose one (1) project. If the buildings/properties share the same physical address, then the applicant should propose one project and indicate that the project will occur at the site with the one shared address. If the buildings/properties have separate physical addresses, only one of the addresses can received funding, since all CD-BC applications can propose only one project, clearly linked to one site/address.
26. If a health center would like to acquire the services of a grant writer to prepare an application and/or an architect to assist with developing the project proposal, are these allowable costs? Health centers may determine it is necessary to acquire other professional services to assist with developing a grant application. While the services of a grant writer is not allowable, other pre-award (e.g., planning) costs may be proposed as part of the application. If the health center receives a grant award, only pre-construction costs incurred 90 days prior to the award date, and in accordance with Federal procurement requirements, may be considered for reimbursement under the grant.

27. New! Can our organization propose a design build or phased construction project? Yes, design build or phased construction projects may be proposed.

28. New! Can the architect who prepared the pre-award schematic drawings later bid on the actual project if a grant is awarded? To avoid non-competitive procurement practices, 45 CFR 74.43 states, “In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft grant applications, or contract specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements.” This situation can be addressed by the following options:
   - Applicants may choose to cover the unallowable costs (i.e., architect fees) with non-Federal funds.
   - Applicants may openly and competitively bid the services of an architect for both the pre and post award phase (contingent on receiving an award) at the same time. Selection should be in conformance with the regulations at 45 CFR 74.40-48 and the organization’s procurement procedures.

29. What are the funding limitations for this opportunity? The following are unallowable costs that cannot be supported with CD-BC funds:
   - Costs incurred more than 90 days prior to the award date;
   - Recipients of FY 2009 FIP or FY 2011 CD funding opportunities;
   - Operating costs (e.g., funding direct health care services, clinical full-time equivalents, rent, mortgage payments, equipment lease payments, moving costs, refinanced credit facilities);
   - Trailers, mobile medical vans, and vehicles; and
   - Costs related to Electronic Health Records (EHR) systems and licenses.

30. Can grant funds be used to cover costs incurred prior to the award date? Costs incurred more than 90 days prior to the award date are not allowable.

31. Can an application propose a project if the alteration/renovation project has started? No, projects that have already started A/R, including site work, demolition, and construction, are not eligible to apply.

32. Can an applicant purchase modular units, trailers, mobile vans, or vehicles, with grant funds? The purchase of a permanently installed modular unit(s) is an allowable cost. The purchase of a trailer, mobile van, or vehicle, is not an allowable cost.
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 permanent footings, which will be considered a “construction” type of project.

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).

33. **Can grant funds be used to acquire land?**
No, land and/or facility purchase costs are NOT allowable. These types of acquisitions may be achieved with other sources of funds.

34. **New! Is the development of the land, to make it suitable for the structure, an allowable cost?**
Developing the site, including demolition may be allowable under CD-BC, with the exception of abatement costs. CD-BC funds may not be used to acquire land or buildings.

35. **What relocation costs are allowable?**
The following relocation costs are allowable:
- Renting a space for temporary purposes while work on the main site is being completed.
- Relocation in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (as amended by the Uniform Relocation Act of 1987). The Act provides relocation assistance in specific circumstances where the project involves the displacement of persons and businesses.

Moving costs associated with a project are unallowable.

36. **New! Can our organization propose a project that includes leased space? What if the leased space is intended for an entity that provides supporting services to our organization?**
An applicant may propose to include leased space as part of the overall proposal. The following options may be proposed:

1. If the other entity is supporting 330 activities (i.e., a pharmacy), then the applicant may only charge “rent” for the amount of maintenance and utilities.
2. If the other entity is not supporting 330 activities (i.e., a commercial clothing store), then grants funds may not be used towards the construction, renovation, or furnishing of the related space. Those costs should be included as part of the total project costs, but would be unallowable. The unallowable costs may be estimated as a proportion of the total square feet of space created or improved by the proposed project.

37. **Can grant funds be used for project financing costs?**
Financing costs are not allowable.

**Procurement**

38. **Are there Federal procurement regulations health centers can reference to ensure compliance?**
Grantees can use their own procurement procedures that reflect applicable state and local laws and regulations, as long as those procedures conform to the following applicable U.S. Department of Health and Human Services (HHS) regulations:
- HHS regulations at 45 CFR § 74.40 through § 74.48, Procurement Requirements for Institutions of Higher Education, Hospitals, Other Nonprofit Organizations, and Commercial Organizations [http://www.access.gpo.gov/nara/cfr/waisidx_07/45cfr74_07.html](http://www.access.gpo.gov/nara/cfr/waisidx_07/45cfr74_07.html)
- HHS regulations at 45 CFR Part 92, Procurement Requirements for State, Local and Tribal Governments [http://www.access.gpo.gov/nara/cfr/waisidx_00/45cfr92_00.html](http://www.access.gpo.gov/nara/cfr/waisidx_00/45cfr92_00.html)
  - States must follow the requirements at Title 45 Code of Federal Regulations (CFR) § 92.36 (a). Generally, States must follow the same policies and procedures they use for procurements from non-Federal funds.
  - Local and Tribal governments must follow the requirements at 45 CFR § 92.36 (b) through (i).

For purchases or contracts below $100,000, grantees can use the simplified acquisition procedures requirements described below.

Procedures shall be used to the maximum extent practicable for all purchase of supplies or services not exceeding the simplified acquisition threshold. Procurement actions may not be artificially split to avoid competition thresholds. The simplified acquisition procedures were not developed to eliminate competition but to reduce administrative costs, improve opportunities for small, small disadvantaged, and women-owned small business concerns, promote efficiency and economy in contracting, and avoid unnecessary burdens.

39. **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 $100,000; contracts of $100,000 or more need to go through competitive bidding 45 CFR § 92.36 (b) through (i). Contracts secured under the simplified acquisition procedure must still 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).

40. **If a health center is 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 health center, is this allowable?**
   Some applicants may wish to propose construction using their own work force (force account). Applicants 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/policiesregulations/capital](http://bphc.hrsa.gov/policiesregulations/capital).

41. **If a health center uses both Federal and non-Federal sources of funding to purchase equipment from one vendor for a combined total of $152,000, do procurement requirements apply?**
   Federal procurement requirements are applicable to the entire contract to which Federal funds are applied: this includes contracts paid through a combination of Federal and non-Federal funds. Contracts above the simplified acquisition threshold of $100,000 must be competitively and openly bid to the maximum extent possible.

42. **Are costs allowable if the services or contracts do not meet federal procurement?**
   Any costs that do not meet Federal procurement requirements are considered unallowable costs. Those costs are incurred at the grantee’s risk. That is, if a contract is later determined not to have been procured properly, the grantee may be required to pay the entire contract costs from non-Federal sources.
Application

43. Is a Public Health System Impact Statement required or applicable?
No, a Public Health System Impact Statement is not required to be completed or distributed for this funding opportunity.

44. Does the applicant need to know the exact site at which a project is proposed prior to submitting the application?
Yes, the complete site address must be identified and included in the application. If an address has not been assigned at the time of application, provide a legal description.

45. Are health center sub-recipient and contractor sites eligible for funding?
No, sub-recipient and contractor sites are not eligible to receive these funds.

46. Is the applicant required to have a Medicaid/Medicare/Medicaid Pharmacy billing number in Form 5B?
No, this field may be left blank if it does not apply.

47. Who can be listed as the Project Manager?
The Project Manager is the person responsible for the administrative direction and oversight of the project. The Project Manager may also be the Authorizing Official (AO).

48. 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.

49. Should applicants upload additional attachments?
Within this page limit, an applicant may submit 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.

50. Is a letter of intent required?
No, a letter of intent is not required for this funding opportunity.

51. 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.

52. 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-12-115.

53. Who should complete and sign the EID checklist?
The Authorizing Official may complete and sign the EID checklist. Because this is a certification of conditions, and the potential impacts on and around a proposed project site, 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.
54. **To whom should letters of support be addressed?**
Letters of Support should be addressed to the Health Resources and Services Administration (HRSA) and should be uploaded where indicated in the EHB application. Letters of Support should not be mailed to HRSA. Note, only those letters of support that are submitted with the application in EHB 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.

55. **New! Can you provide further explanation of the operational budget?**
The operational budget provides information regarding the applicant’s ability to sustain services at the proposed site after completion of the CD-BC project without any additional section 330 grant support. The operational budget is composed of three areas:

- **Current 330 operating budget** – is composed of the total operating budget (both Federal and non-Federal) of the applicant organization for the current year based on the 12-month budget year of the current 330 grant.
- **Projected operating budget at the time the site is opened** – is the total operating budget of the applicant organization for a 12-month period starting from when the site is open and operational.
- **Site specific operating budget** – is a subset of the projected operating budget, reflecting the total revenues and expenditure of the proposed site.

**Budget**

56. **Does the requested budget have to be for 36 months?**
The proposed budget may not exceed a 36-month period. Applicants are expected to complete project(s) prior to the project period end date.

57. **Is the $5,000,000 maximum for the entire three-year budget/project period or can applicants request $5,000,000 per year for the two-year budget/project period, for a total request of $15,000,000 in Federal funds?**
Applicants can request a maximum amount of $5,000,000 per application for the entire three-year budget/project period.

58. **What is the Federal share percentage that is calculated on the SF-424C budget?**
The Federal share percentage is a standard calculation that is required for the SF-424C Budget. The Federal share will be used to determine the drawdown percentage. On a project with an 80 percent Federal Share percentage, for example, the grantee will pay costs as they are incurred by paying 80 percent of the costs with grant funds and the remaining 20 percent with funds from other sources. The EHB system will automatically calculate the Federal share percentage for each project 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.

59. **How should dollar amounts be entered on the SF-424C Budget?**
Amounts must be rounded to the nearest whole dollar.
60. Can the budget include costs for the operation of the health center?  
No, health center operational costs are not allowable and cannot be included as part of the application. The budget and budget justification submissions should address only costs directly related to the project proposed in the application.

61. Is the allowable contingency 5 percent of construction cost plus 5 percent of site and demolition work or is it 5 percent of all project costs?  
Contingency costs (Line 13 of the SF-424C budget form) are limited to 5 percent of the sum of Lines 7c allowable site work, 8c allowable demolition and removal, and 9c allowable construction.

62. Is there a dollar limit under the Miscellaneous category of expenses?  
On the SF-424C, Line 11c is limited to no more than 10 percent of Line 16c (total cost). Applicants must explain and identify the Miscellaneous items in the budget justification.

63. Where should moveable equipment be entered on the SF-424C budget page?  
All moveable equipment should be entered on Line 10 Equipment.

64. How should items with a unit cost of less than $5,000 and a useful life of more than one year be entered on the SF-424C?  
All items with a unit cost of less than $5,000 and a useful life of more than one year should be entered on Line 10 Equipment.

65. Can you provide more instruction on how to prepare the budget justification?  
A budget justification is required for each project. The budget justification must provide a detailed break-out and description of 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 CD-BC project. Further, if there are additional sources of funding, applicants should identify which costs will be covered by the Federal CD-BC grant. Please refer to sample CD-BC budget justification available at http://bphc.hrsa.gov/policiesregulations/capital.

66. For total project costs, should all other sources of funding for the project, regardless of whether it supports allowable or unallowable costs, be identified?  
On the Funding Sources form, applicants should list all 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.

67. If a health center is utilizing other sources of funding to supplement a project, do those other sources need to be in-hand or committed?  
No, but applicants must be able to demonstrate how it will be able to complete the CD-BC project within the 3-year project period, as well as how it will maintain the improvements that result from the CD-BC 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.

68. How should in-kind costs be included in the overall project budget and entered into the application?  
“In-kind costs” are receipt of goods and/or services in lieu of cash contributions or as a donation. The estimated value of in-kind services should be included in the “other allowable costs” and “unallowable costs” columns of the budget justification, depending on the nature of the cost (refer to the allowable
cost chart in the funding opportunity guidance). These costs should also be accounted for in the “Other Sources of Funding” section of the project.

69. Are indirect costs allowable under this funding opportunity (HRSA-12-115)?
No, indirect costs are not allowable under this funding opportunity.

70. Can equipment be purchased for health center sites other than the proposed site in the application?
No, only equipment purchases associated with the project-specific site may be proposed.

Equipment

71. What is moveable equipment?
Moveable equipment includes non-expendable items with a useful life of more than one year and a unit cost of greater or less than $5,000 that is not permanently affixed and can be easily moved, such as x-ray equipment, freezers, autoclaves, medical exam tables, dental chairs, computers, and modular workstations. 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.

72. 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.

73. What information is needed for the Equipment List?
All moveable equipment should be entered in the Equipment List. Equipment should be relevant and appropriate to the identified needs of the health center and the associated project. The Equipment List will require the following information for each item: equipment type (clinical or non-clinical), item description, quantity, unit price, and total price. Fixed equipment (HVAC, doors, windows, sinks, generators, etc.) should not be included in this list.

74. Can grant funds be used to lease movable equipment?
No, grant funds may only be used for the purchase of movable equipment.

Federal Interest and Leasehold Improvements

75. Is a Notice of Federal (NFI) Interest required?
All construction projects, regardless of costs, will require the filing of a NFI. Any A/R project having a total allowable project cost (Federal and non-Federal) of more than $500,000 (excluding the cost of moveable equipment costs) will require the filing of an NFI. Applicants that are not required to file a NFI acknowledge that 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 from lessors acknowledging protecting such interest, in accordance with the standard award terms and conditions. Such documentation should be available for subsequent review upon request by HRSA.
76. **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 the award of the grant, but prior to beginning physical work on the project.

77. **What if there is already a HRSA NFI on the property?**
NFIs must specify the grant under which the capital funding was provided. NFIs that cite other grant programs cannot be substituted. Existing NFIs may be amended to add in the new grant and project description along with the existing grant information upon issuance of a Notice of Grant Award.

78. **What is required in an NFI and how is it filed?**
Additional information regarding the contents of a NFI and filing is available at [http://bphc.hrsa.gov/policiesregulations/capital](http://bphc.hrsa.gov/policiesregulations/capital).

79. **Will HRSA take a subordinate position to existing mortgage holders and lenders on potential debt financing for projects?**
HRSA’s Notice of Federal Interest is subordinate to all pre-existing mortgages or obligations recorded against the property. HRSA will also subordinate Federal Interest for loans and obligations identified in the application as sources of financing for the project. Requests for future permission or subordination will require prior approval.

80. **What is considered “adequate documentation” to be retained by the applicant organization as it pertains to Federal Interest?**
Property owners should ensure that their real property and equipment Asset/Inventory management systems track what improvements or purchases were made with Federal funds, including Federal funds expended, and the Federal percentage of the total cost of the action. For real property, also retain a copy of the deed or lease documentation, and the NFI (as applicable).

81. **How will requests to release Federal Interest be handled?**
HRSA will consider requests to release Federal Interest in property in accordance with 45 CFR § 74.32, Real property, or 45 CFR § 92.31, Real property (as applicable).

82. **Are leasehold improvements allowable?**
Leasehold improvements are allowed. For the purposes of leased properties, 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). 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 project;
- Agreement to provide the 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 a NFI applies. 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.

83. **Why does it matter if a proposed project site is owned or leased?**
An applicant must demonstrate site control to ensure that the proposed projects can be completed and that the benefit to the health center will be realized. When a Notice of Federal Interest is required, the
applicant must provide HRSA a copy of the filed NFI prior to the start of construction activities. Applicants that lease the project site will need to provide HRSA a Landlord Letter of Consent from the facility owner, and a copy of the NFI filed by the facility owner, prior to the start of construction activities.

84. Does a lease or deed need to be available at the time of application?
No, however, should an applicant be awarded this grant funding, all documents that demonstrate that the applicant has site control must be submitted to HRSA prior to the applicant drawing down grant funds.

Application Review
85. What is the review process and how will the application be evaluated?
Grant 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 CD-BC guidance (HRSA-12-115) will be used by the ORC to review and rank applications.

86. 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.

87. Will the amount of funds be reduced if there are substantially more eligible applications than available funds or depending on the strength of the application?
Applications will be funded at the amount of allowable costs requested in the grant application. Requested amounts within applications will not be reduced if there are more competitive applications than available funds.

88. Will projects with additional sources of funds (equity and/or debt) be more competitive than projects that request grant funding for all allowable costs? Should the applicant request grant 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. HRSA encourages applicants to carefully review the criteria to ensure that they submit strong applications that meet or exceed the established criteria.

Electronic Submission Requirements
89. How are grant application packages accessed from Grants.gov?
To access the FY 2012 CD-BC 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-12-115.
• Click on Download under the “Instructions and Application” heading to access the application package.

90. 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.

91. What is the registration process 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.

92. What is the registration process 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.
• BPHC Helpline at 1-877-974-BPHC (2742) weekdays from 8:30 AM to 6:00 PM EDT or by email at bphchelpline@hrsa.gov.

93. How does one know if an 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 verifying successful submission of the application. The submitting AO receives a confirmation web page upon successful submission in EHB. Applicants are strongly encouraged to print this confirmation page, since no e-mail confirmation will be sent through EHB.

Program Administration

94. Is there a formal notification of an award from HRSA?
Yes, funded applicants will receive a Notice of Grant Award (NGA) from HRSA on or about April 1, 2012.

95. How soon can awarded grant funds be drawn down?
Grantees can withdraw pre-construction costs to include: administrative services, architectural/engineering design services, and survey and equipment purchases. Once all conditions are met, HRSA will issue a revised NGA to the grantee, at which point the grantee can then withdraw funds as construction costs as incurred. Grantees shall not withdraw all funds at once.

96. How soon can a health center start construction after receiving a NGA from HRSA?
Grantees must comply with the terms and conditions as noted in the NGA prior to the start of any construction activities, including demolition and site work.
97. If a contractor is ready to begin work on the project, is it still necessary to hold off on construction activities until all grant/program conditions on the NGA have been met?
Yes, grantees must have all grant/program conditions approved and released prior to starting construction work at the site.

98. Do all funds have to be spent by the end of the project period?
Applicants must obligate (incur) all costs for the grant funded project(s) by the end of the 3-year project/budget period.

99. How will grant recipients access their funds?
Recipients will access grant funds via the Payment Management System. Once funds are awarded, 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/.

100. Does Executive Order 12372 (Intergovernmental Review of Federal Programs) apply to the HRSA-12-115 funding opportunity?
The CD-BC Program is not subject to the provisions of Executive Order 12372.

Other
101. New! Our organization is proposing a renovation; will we be exempt from undertaking environmental studies?
Although applicants proposing renovation projects may not need to prepare a full Environmental Assessment under the National Environmental Policy Act (NEPA), the organizations may need to comply with other requirements as applicable:

- If the proposed work involves exterior work, ground disturbance, or work on a building that is over 50 years old, the project may require SHPO consultation under Section 106 of the National Environmental Policy Act.
- Buildings constructed prior to 1985 may require submission of a hazmat study and abatement plan.
- If the site is located in a coastal state, the project may require compliance with the Coastal Zone Management Act.
- If the proposed project is in a 100 or 500 year floodplain, it may require compliance with E.O. 11988, Floodplain Management.

102. What do “green” technologies involve in reference to the 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.

103. Is LEED certification or demonstration of other sustainable design practices required for this grant opportunity or can an applicant receive additional points during review process?
LEED certification and sustainable design is not required. However, HRSA encourages applicants to consider to the maximum extent feasible to consider elements and concepts that improve the economic,
social, and ecological environment. Examples of such design considerations include use of low-impact materials, ensuring energy efficiency, and maximizing reuse/recycling capabilities.