

Comments & Response on Draft Policy Information Notice, “Health Center Budgeting and Accounting Requirements”

In June 2013, the Health Resources and Services Administration (HRSA) made the draft Program Information Notice (PIN), “Health Center Budgeting and Accounting Requirements,” available for public comment. The purpose of this Policy Information Notice (PIN) is to convey and clarify statutory and regulatory requirements regarding the budgeting and accounting for all Health Center Program grantees (e.g. Section 330(e), (g), (h), and (i) grantees) and Federally Qualified Health Center (FQHC) Look-Alikes.

Two hundred and eighteen parties, including individuals and groups, submitted comments regarding the draft PIN. A vast number of the comments expressed significant concerns about both the general message and the details contained in the draft section open for comment. For example, the majority of comments objected to imposing Federal grant requirements on non-grant funds, to the list of pre-approved expenditures for non-grant funds, to the prior approval process for the usage of non-grant funds, to the requirement related to the expenditure of non-grant funds on in-scope activities, and to the perceived undue burden that the draft PIN would create.

Therefore, after review and careful consideration of all comments received, HRSA has amended the draft section of the PIN and other sections, as appropriate, to clarify that health centers will continue to retain discretion around the use of non-grant funds consistent with section 330 statute. In lieu of the pre-approved expenditure criteria for non-grant funds and the prior approval process, the PIN reiterates that non-grant funds may be used for purposes that are not specifically prohibited under the section 330 statute as long as they further the objectives of the project. This standard is met by ensuring that the uses of non-grant funds benefit the individual health center's patient/target population. The PIN also states that the governing board has a fiduciary responsibility to assure that application budgets and actual expenditures reflect appropriate uses of both section 330 grant funds and non-grant funds.

Other sections of this PIN were updated to be consistent with this current guidance.