

CAPITAL IMPROVEMENT PROGRAM

Frequently Asked Questions

The following questions and answers are organized by the headings/topics of the guidance for the Capital Improvement Program (CIP) funding opportunity (HRSA-09-244) available at <http://bphc.hrsa.gov/recovery/cip/>.

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ISSUE: Purpose

1. What is the purpose of the CIP funding opportunity?

The Capital Improvement Program (CIP) is a funding opportunity under the American Recovery and Reinvestment Act (Recovery Act or ARRA) for existing Health Center Program grantees to address pressing capital improvement needs as well as create employment opportunities in underserved communities over the next 2 years. CIP grants will fund capital improvements in health centers such as construction, repair, renovation, and equipment purchases, including health information technology. Further, uses of CIP grant funds should support activities that will improve the health center's effectiveness, efficiency, quality of care, and patient outcomes.

2. **NEW!** How should we plan our CIP in light of the upcoming competitive funding opportunity?

Grantees should propose CIP projects that are distinct and separate. For the upcoming competitive funding opportunity, funds cannot be expended on any approved CIP project activities; further, awards from the competitive funding opportunity cannot replace any funds that have been awarded for a CIP project.

ISSUE: Summary of Funding

3. When will the grant be awarded? What is the date of the project period?

CIP funds will be awarded on or about July 1, 2009. The project period for all CIP grants is July 1, 2009 through June 30, 2011.

4. Can CIP funding be used to cover costs incurred prior to the award date?

In general, these grants are intended to support costs incurred after the CIP project start date. CIP funds cannot be used to support any costs incurred prior to February 17, 2009 (the date the Recovery Act was

signed) for the CIP initiative. Pre-award costs incurred after February 17, 2009 may be reimbursed but only if they are allowable costs. However, any costs incurred before receipt of the NGA are at the recipient's risk.

5. How should the New Access Points (NAPs) funded in March 2009, also under the ARRA, apply for CIP grants?

All grantees must submit an application via HRSA's Electronic Handbook (EHB) to receive CIP funding. New Start organizations that were awarded a NAP in March 2009 are eligible to apply for the base allocation of \$250,000 only, as they do not yet have patient data in Uniform Data System (UDS).

Existing health center grantees that were awarded a NAP (for a satellite site) in March 2009 are eligible to apply for a maximum amount based on the base allocation plus the number of patients and uninsured patients captured in their most recent UDS report.

6. Is there any formal notification of a CIP award from the Health Resources and Services Administration (HRSA)?

Yes. HRSA will electronically transmit a formal notification in the form of a Notice of Grant Award (NGA) that will be provided to the applicant organization/institution.

7. What is the timeline for grantees to use the CIP funds?

Recipients of CIP funds should obligate (commit) the grant funds and complete the proposed projects by the end of the 2-year project/budget period. HRSA strongly encourages grantees to expend (spend) all funds during the 2-year project/budget period to respond to urgent, immediate community needs.

8. Will grantees be allowed to extend the original project period beyond 2 years?

Consistent with the intent of the Recovery Act—to create jobs and respond to urgent, immediate community needs—grantees are expected to obligate all CIP grant funds within the 2-year project/budget period. If there is a need to extend the project period beyond the original two years, HRSA will work with the grantee, on a case-by-case basis, to adjust the project period. Extensions must be justified.

9. UPDATED! What documents must be submitted for the CIP application?

All applicants will be required to submit:

- Application for Federal Assistance/Face Sheet SF-424
- SF-424D Assurances—Construction Programs
- Proposal Overview

The following items **must be submitted/completed** in EHB, based on the type of CIP project.¹

Alteration, Repair, Renovation	Construction	IT/Equipment-only Purchase	HIT-only Purchase	Certified EHR-related Purchase
Project Details	Project Details	Project Details	Project Details	Project Details
SF-424C Budget	SF-424C Budget	SF-424C Budget	SF-424C Budget	SF-424C Budget
Budget Justification	Budget Justification	Budget Justification	Budget Justification	Budget Justification
Sources of Other Funding	Sources of Other Funding	Sources of Other Funding	Sources of Other Funding	Sources of Other Funding
Site Information	Site Information	Site Information	Site Information	Site Information

¹ On previous versions of the CIP FAQs, "Environmental Assessments" were included as a required item for submission of the CIP application. Draft EAs may be sent to the Bureau of Primary Health Care after the CIP application has been submitted. For additional information regarding EAs, please refer to the FAQ document on Environmental Assessments available at <http://bphc.hrsa.gov/recovery>.

Alteration, Repair, Renovation	Construction	IT/Equipment-only Purchase	HIT-only Purchase	Certified EHR-related Purchase
Other Requirements (A/R/R & Construction)	Other Requirements (A/R/R & Construction)			EHR Readiness Certification
Notice of Federal Interest or Statement of Agreement from Facility Owner (as applicable)	Notice of Federal Interest or Statement of Agreement from Facility Owner			EHR Readiness Checklist
Environmental Information and Documentation Checklist	Environmental Information and Documentation Checklist	Environmental Information and Documentation Checklist	Environmental Information and Documentation Checklist	Environmental Information and Documentation Checklist
Schematic Drawings	Schematic Drawings			

10. What documents must be submitted when projects are completed?

HRSA requires the following documentation and certification once CIP projects have been completed:

- For alteration/repair/renovation, the grantee must self-certify that the project is complete and must submit: before and after photos (with brief descriptions), final budget, Financial Status Report (SF-269A), and itemized equipment list (as applicable), 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.
- For construction projects, the grantee must submit: before and after photos (with brief descriptions), final budget, Financial Status Report (SF-269A), itemized equipment list (as applicable), certificate of occupancy, a certificate of substantial completion, 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.
- For equipment purchases, the grantee must self-certify that the project is complete and must submit: final equipment list, budget, Financial Status Report (SF-269A).

ISSUE: Eligibility

11. Is there any type of eligibility restriction for these funding opportunities based on the length of an organization’s tenure as a health center grantee (e.g., a health center can’t apply if it is a new start within the past 1-2 years)?

No. There is no such restriction for this particular funding opportunity. All grantees are expected to demonstrate, as part of their proposal, the appropriateness of the CIP proposal given the immediate needs of the communities served.

12. Are CIP funds for all “health centers” or just Federally Qualified Health Centers?

The Recovery Act specifies that funds are to be used for “grants to health centers authorized under section 330 of the Public Health Services (PHS) Act” (i.e., only funded Health Center Program grantee health centers).

13. Is CIP funding available to rural health clinics?

The Recovery Act specifies that funds are to be used for “grants to health centers authorized under section 330 of the PHS Act.” Rural health clinics are not eligible to apply for this funding.

14. Are health center controlled networks eligible to apply for CIP funding?

HRSA's Office of Health Information Technology (OHIT) will be announcing Recovery Act funding opportunities specifically targeted to health center controlled networks.

ISSUE: Methodology

15. Is the amount calculated according to the formula (grantee's maximum CIP amount) an annual amount for each of the two years of the project period, or is the amount for the whole 2-year period?

The maximum amount is the **TOTAL AMOUNT** of funding grantees will be eligible to request for the entire 2-year project/budget period. Grantees are expected to budget this amount over the course of the 2 years (24 months).

16. For a newly-funded health center (which began operations March 9, 2009), will our base allocation be \$250,000? If so, are we required to submit a proposal for the \$250,000 base allocation?

Health centers that have not been operational long enough to submit UDS data will be eligible to request the base allocation of \$250,000. These health center grantees are still required to submit an application to receive CIP funding. However, grantees may request less than the amount of the base allocation of \$250,000.

17. What if a grantee has not yet submitted 2008 UDS data?

Section 330 funded health centers are required to submit UDS data to HRSA in an accurate and timely manner. If 2008 UDS data was not submitted before April 24, 2009, HRSA used 2007 UDS data to calculate the maximum CIP amount.

ISSUE: Eligible Use of Funds

18. What are the funding limitations for the CIP opportunity—is there anything in particular that cannot be supported?

The following uses of grant funds are examples of costs that are **not eligible** under CIP grants:

- a. Operating costs (e.g., funding direct service, clinical full-time equivalents, rent, mortgage payments, refinanced credit facilities).
- b. Purchase of EHR systems that are not certified by an organization recognized by the Secretary of HHS.
- c. Land or facility purchase costs are not eligible uses of funding under the CIP grant program. Eligible projects must contain applicable land/facility purchase costs as part of the total project (Federal and Non-Federal costs); however, individual project budgets must show sufficient resources other than CIP funding to cover those expenses.
- d. Per Section 1604 of the Recovery Act: None of the funds appropriated or otherwise made available in this Act may be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.
- e. Costs incurred prior to February 17, 2009.

Please see Appendix 3 in HRSA-09-244 for additional information on allowable versus unallowable costs. Keep in mind that allowable costs principles under section 330 apply to CIP, unless those costs are explicitly identified as ineligible as in the list above. Uses of grant funds presented in the CIP application should support activities that will improve the health center's effectiveness, efficiency, quality of care, and patient outcomes.

19. What types of projects are appropriate for the CIP funding opportunity?

Health centers may propose one or more of the following types of CIP projects:

- a. Alteration/repair/renovation, with or without IT/equipment

- b. Construction (new site or expansion of existing site), with or without IT/equipment
- c. IT/equipment-only purchase
- d. HIT-only purchase (non-EHR equipment)
- e. Certified EHR-related purchase

There are a number of factors to consider when putting together the CIP proposal. Grantees should:

- Ensure the project is an appropriate response to clearly identified, existing needs.
- Rank immediate organizational needs and prioritize how CIP funds can address those needs.
- Assess capacity to complete the project(s) in a 2-year period.
- Consider the amount of funding available to support the project.
- Include any appropriate and related equipment costs for alteration/repair/renovation and construction.
- Work with their network to enhance their existing certified EHR system if they are presently within the scope of a currently-funded health center controlled network.
- Demonstrate readiness for purchase of a certified EHR system and implementation prior to expending CIP funds.
- Evaluate any significant environmental and/or historic preservation issues that may delay implementation.

20. What is alteration versus repair versus renovation?

Alterations and renovations make existing space usable for another purpose. Repair is simply keeping it in usable condition; repair can also be characterized as maintenance.

21. Can CIP funds be used to acquire land? How about a building?

Land or facility purchase costs are **not** allowable uses of CIP grant funding. Eligible projects may contain land/facility purchase costs; **however**, individual project budgets must show sufficient resources **other than** CIP funding to cover those expenses.

22. Can we use CIP funds to purchase a mobile van?

Yes, CIP funds can be used to upgrade or purchase a mobile van. If purchasing a new van, grantees will need to fill out required information about the proposed new site in Form 5B and an Add Site Checklist to add the site as part of the CIP application. The purchase of a van is considered an IT/equipment-only project.

23. UPDATED! Can a grantee purchase modular units or trailers with CIP 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.

For IT/equipment-only projects, grantees may propose to purchase a trailer because it qualifies as “equipment” because of its portability.

Modular units assembled on a foundation are considered fixtures, and therefore constitute real property and must be submitted as a new construction project. This may need to be added as a site. Please refer to the question on adding a new site.

24. How do you define “site” in the CIP application?

“Site” refers to both the physical and service site at which a project will occur. Grantees may propose to conduct any type of project at an existing service site in their approved scope of service. Grantees may also propose to conduct an alteration/repair/renovation or construction project at a new service site and will be required to add a new site as part of the CIP application.

25. Can I propose to add a new site to my scope of service as part of the CIP application?

Grantees may propose to carry out an alteration/repair/renovation or construction project at a new site (i.e., site that is not currently in the grantee’s approved scope of project). The grantee will need to fill out

required information about the proposed new site in Form 5B and complete an Add Site Checklist to add the site as part of the CIP application. While grantees may not add a new site through an IT/equipment-only, HIT-only, or certified EHR-related purchase (other than a mobile van as part of an IT/equipment-only purchase), a grantee can choose a site for any of these project types that have already been added as part of an alteration/repair/renovation or construction project.

26. NEW! I am proposing a new site as part of the CIP application and the systems is telling me my proposed dates are too far in the future and is requiring me to enter Medicaid and Medicare billing numbers I do not have yet. Help!

Under the CIP opportunity, grantees will be able to propose a new site that may not be operational until after the 2 year project period. HRSA realizes that grantees may not have sufficient information on Medicaid and Medicare billing numbers. The CIP application's Form 5B module will allow grantees to enter "dummy" numbers for their billing numbers—if the site does not have the associated billing number(s), grantees should enter "00000."

Additionally, for the "Date Site was Opened" and "Site Operational By" fields, grantees should enter a date within 60 days after the proposed completion of their CIP project. Grantees may see a "Warning" message stating: "This Site may not get approved as the Site Operational Date is too late." PLEASE DISREGARD THIS WARNING, and proceed with your application—the EHB system is being updated and will no longer show this warning starting on Wednesday, May 27.

27. Can administrative-only sites be part of an application?

Grantees may propose an alteration/repair/renovation or construction project at an administrative-only site or convert an administrative-only site within the grantee's approved scope to an administrative/service delivery site or service delivery-only site. Grantees proposing an alteration/repair/renovation or construction project at an administrative-only site will only need to identify the "administrative-only" site from their scope in Form 5B. However, grantees proposing to convert an administrative-only site should (1) identify the "administrative-only" site from their scope in Form 5B for the CIP project; (2) discuss in their Project Details section that they are seeking to convert the administrative-only site to a service delivery site; and (3) submit a separate Change in Scope request to reflect this scope change.

28. NEW! If I want to add a new site as part of my CIP application, should I complete a Change in Scope request outside of the CIP process?

No, if you are proposing a construction or alteration/repair/renovation project or proposing to purchase a new mobile van (as part of an IT/equipment-only purchase) at a new site that is currently not in your approved scope of project, you should add that site **as part of** your CIP application. This will ensure that HRSA links this new site request to your CIP application and puts the site on a modified verification timeline. However, if you have already requested to add that new site in a separate Change in Scope request and it has not yet been approved, you will be allowed to choose that site once you are within your Project section in the CIP application within EHB.

29. NEW! How should grantees with section 330 grant sub-recipient arrangements propose to utilize the CIP funding?

The main grantee of record (prime recipient) has access to and control over the CIP application. HRSA encourages grantees to coordinate with any sub-recipients to ensure that CIP funds are best spent to address urgent community needs. Sub-recipients are held to the same standards of accountability and reporting as are the prime CIP grant recipient. Sub-recipients must coordinate with the prime grantee throughout the project period and provide the prime grantee with information, including the required data elements, to be reported to HRSA and Recovery.gov.

30. Can CIP funds be used to retain health center positions?

Any supported staff must be clearly related to the CIP project. CIP funds may be used to support the following types of health center administrative and facility positions only: management and support staff, fiscal and billing staff, IT staff, facility staff, and patient support staff. If an existing staff member within one of these categories will be retained with CIP funds to work on a CIP project, then this cost is

allowable. For example, IT staff may be retained using CIP funds if the health center proposes to implement a certified EHR system. However, if the staff are not integral to the CIP project, they may not be retained with CIP funds.

31. NEW! What should I enter for health center administrative and facility FTEs?

ONLY include full-time equivalents (FTEs) **that are directly supported by CIP funds to carry out the CIP project(s)**. "FTEs Created" should include positions that are created and filled or previously existing unfilled positions. "FTEs Retained" should only include positions preserved from layoffs or terminations and those restored to full-time. Further, please only include the FTEs as appropriate for each project.

32. If CIP funds will enable health centers to provide dental care on site, will a change in scope be allowed?

The CIP funding opportunity will allow flexibility for grantees as it relates to scope of project. Grantees will not be allowed to use the CIP application(s) to change (add/delete) services under their approved scope of project. Grantees that are seeking to use CIP funds to support a new service (e.g., restorative dental services) that is not within their current approved scope of project, will have to add the service via a normal Change in Scope (CIS) request and have that approved outside of the CIP application. However, if the health center wants to propose a CIP project related to that new service (i.e., add dental equipment), that would be allowable—as long as they can also show (as with any addition of a site or service) that they would be able to maintain their existing level of service plus the new service without additional section 330 operational funds.

33. How does a grantee's current scope of project affect what it can propose?

Health center grantees should always maintain a scope of project that is up to date and approved by HRSA. Grantees will be able to propose a new site as part of their CIP application if they plan to alter/repair/renovate or construct a new facility or site that is currently not part of their scope of project. In these cases, grantees will have to complete a Form 5B with the proposed new site's information as well as an Add Site Checklist.

If a CIP project will enable the grantee to provide a new service(s), the grantee cannot use the CIP application to add the service to their approved scope of project. A grantee will need to submit a separate Change in Scope request to add the service as described in Policy Information Notice (PIN) 2008-01: Defining Scope of Project and Policy for Requesting Changes available at <http://bphc.hrsa.gov/policy/pin0801/>.

34. I recently received a New Access Point (NAP) award. Will my site information be available as part of the application? Am I able to update this site information?

Site information from the NAP application has been entered into the grantee's scope of project in EHB. Grantees will be able to choose to conduct CIP projects at the site(s) listed or may propose a new site as part of an alteration/repair/renovation or construction project. If the site(s) listed in the grantee's NAP application is no longer applicable, the grantee will need to delete that site separately from the CIP application using a Change in Scope request. For additional information, refer to PIN 2008-01 available at <http://bphc.hrsa.gov/policy/pin0801/>.

35. Can a grantee use CIP funds if they have already started an alteration/repair/renovation or construction project?

The HRSA will need to evaluate on a case by case basis. If construction has progressed to a point where an environmental and historic preservation review is not feasible, HRSA may not be able to fund the project. Grantees who wish to submit project applications for construction project underway may need to stop work until HRSA is able to make a funding eligibility determination.

36. To supplement a CIP project, if a health center is utilizing other sources of funding, do those other sources need to be in-hand or committed?

An applicant must demonstrate how they will be able to complete the CIP project within the 2-year project period as well as how the health center will maintain the improvements that result from the CIP project. It is in the grantee'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.

37. Is a Notice of Federal Interest required?

Yes. Notice of Federal Interest (NFI) filings are required for

- **ALL** CIP construction projects
- **Each** CIP alteration/renovation project having a total allowable project cost of more than \$500,000, **excluding equipment costs**

38. The CIP 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?

A NFI is essentially a lien that protects HRSA's financial 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 the 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 grantee to HRSA, either by letter or by email, with the following information:

1. What is the action that the owner is requesting from the HRSA (permission to secure a new loan, transfer to another site, etc.)?
2. What is the action that the owner wants to undertake (new loan, refinancing, expansion, sale, etc.)?
3. 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).
4. 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.
5. Appraised value of the property at the time of project completion.
6. Terms of the proposed loan, i.e., interest rate, period of loan, amortization schedule.
7. Latest audited Financial Statements.

Reviewing Federal Interest requests takes time, and HRSA requests patience and cooperation in the process. Providing detailed requests and supporting documentation up front will aid in expediting reviews.

39. NEW! Will the value of the Federal interest change over time, especially as the useful life of the renovation/alteration expires?

HRSA acknowledges that the market value of ARRA supported renovations/alterations will change over time. HRSA will work with grantees to recognize the changing market value of improvements and other activities made by the grantee or property owner of the facility.

40. NEW! Will HRSA take a subordinate position to existing mortgage holders and lenders on potential debt financing for CIP 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 CIP application as sources of financing for the project. Future modifications and new mortgages and obligations will require prior approval.

41. Are leasehold improvements allowable?

Leasehold improvements are allowable but subject to the following conditions. If the proposed project site is leased and the project is:

1. A construction project, or
2. An alteration and renovation project with a net project cost (total project cost less equipment costs) of **greater than \$500,000**; then,

The grantee must either:

- a. Provide a signed statement of agreement from the facility owner; or,
- b. Certify in the application that a statement of agreement from the facility owner will be submitted to HRSA prior to expending CIP project grant funds.

The statement of agreement from the facility owner referenced above must address the following components:

1. Approval of the scope of the CIP project.
2. Agreement to provide the grantee health center reasonable control of the project site for at least 10 years.
3. Agreement to file an NFI in the land records of the local jurisdiction before the project begins.

If the project site is leased and the project is an alteration/repair/renovation project with a net project cost (total project cost less equipment costs) of **\$500,000 or less, then the application must include a certification by the health center grantee that the existing lease gives the health center reasonable control of the project site and is consistent with the scope of the CIP project.**

42. Are equipment purchases allowable?

The purchase of equipment is an eligible use of funds in conjunction with an alteration/repair/renovation or construction project or as a stand-alone equipment-only project and provided it is pertinent to health center operations and serves an identified patient group. Grantees proposing alteration/repair/renovation or construction projects must include any relevant IT/equipment costs as part of that project.

A few other points of interest related to equipment purchases:

- Alteration/repair/renovation and construction projects should clearly identify all anticipated equipment to be purchased.
- Projects that include the purchase of equipment must provide a detailed equipment list.
- Equipment must be maintained, tracked, and disposed of in accordance with 45 CFR Parts 74.34 and 92.32.

43. What is a certified EHR?

A certified EHR system is one which is certified by an organization recognized by the Secretary of the U.S. Department of Health and Human Services. Currently, the only organization recognized by the Secretary is the Certifying Commission on Health Information Technology (CCHIT). More information on CCHIT EHR certification is available at <http://www.cchit.org>.

44. NEW! Can health centers that are a member of a network use CIP funds to pay for the portion of acquisition/implementation costs NOT covered by HCCN grant funds?

Yes, they may use funds to pay for portions not covered in the HCCN (Health Center Controlled Network). Health centers should work with their networks to determine how best to use to money to compliment the existing efforts.

45. NEW! Can a health center that is a member of a network apply for CIP funds to do EHR on their own even though they have already benefited with some HCCN grant funds for partial EHR adoption or they are named in our scope for future implementation?

Health centers asking for funds to deploy an EHR when they are already named in the scope of the network's grant is not allowable. This is a duplication of Federal dollars to pay for the same purpose twice. Again we strongly recommend health centers work with their networks to assure a coordinated effort.

46. If our health center is a member of a current HRSA-funded health center controlled network, can we purchase certified EHR or HIT systems?

Health center grantees within the scope of a **current HRSA-funded** health center controlled network are encouraged to work with their network to enhance their existing system. CIP funds cannot supplant HRSA funds that have been allocated for certified EHR-related activities.

47. Why is readiness required for purchase of a certified EHR system?

Grantees must submit an EHR Readiness Checklist for Certified EHR-only purchase. Implementing a certified EHR is a very complex process and will require a comprehensive planning and readiness process that will:

- Identify goals for the EHR project
- Create a strategic plan that guides the certified EHR procurement and identifies key milestones to achieving “meaningful use”
- Include a completed feasibility analysis
- Include a completed comprehensive organizational readiness assessment
- Include a completed comprehensive staff skills assessment
- Assess and inventory current resources (staff, hardware, software, etc.)
- Outline an implementation strategy for the EHR project that will achieve “meaningful use”
- Inventory all hardware, software, and staff expertise needed to implement the EHR project
- Identify a multidisciplinary committee to oversee the readiness, due diligence, selection, and implementation of the certified EHR project
- Identify a plan to address the decrease in productivity during training and implementation
- Develop a plan to protect patient’s health information

48. What types of EHR costs are allowable?

The following are examples of allowable certified EHR costs:

- Certified EHR software costs: EHR application costs, maintenance, computer-based training
- Infrastructure clinical facility costs: wireless LAN infrastructure, LAN switches, tablets, desktop PCs, cameras, printers
- Data infrastructure costs: servers, routers, switches, back-up software, fire suppression, cooling/HVAC, physical security, power upgrades
- Implementation staffing: core team training, vendor project management, data migration, paper chart conversion, CIO, network administration

49. NEW! Can CIP funds be used to support a project we plan to propose as part of the upcoming competitive Facility Investment Program (HRSA’s upcoming competitive opportunity for health centers under ARRA)?

Projects funded with CIP grants must be distinct, stand-alone projects. The intention of the CIP funding is to respond to urgent health center and community needs and to create jobs; therefore, the grantee must be able to complete the project with existing funding and not rely on tentative grants. Other sources of support may be used to supplement the CIP funding and support a CIP project, but that funding must be fully committed to the proposed project.

50. NEW! Can health centers that are a member of a network use CIP funds to pay for the portion of acquisition/implementation costs NOT covered by HCCN grant funds?

Yes, they may use funds to pay for portions **not covered** in the HCCN. Health centers should work with their networks to determine how best to use to money to compliment the existing efforts.

51. NEW! Can a health center that is a member of a network apply for CIP funds to do EHR on their own even though they have already benefited with some HCCN grant funds for partial EHR adoption or they are named in our scope for future implementation?

Health centers asking for funds to deploy an EHR when they are already named in the scope of the network’s grant is not allowable. This is duplication of Federal dollars—paying for the same thing twice. Again we strongly recommend health centers work with their networks to assure a coordinated effort.

52. NEW! Would the health center’s portion of ASP payments during the project period be eligible?

Any costs obligated prior to February 17, 2009 are not eligible, including remaining payments.

53. NEW! Are expenses for locum tenens to backfill providers during the EHR training and implementation eligible for reimbursement?

Any costs associated with service delivery, including locum tenens to backfill providers during EHR training and implementation, is not an allowable cost.

54. NEW! The HCCN holds the EMR/PMS licenses and charges sub-licenses or upfront access fees to the members. Is this going to be a problem?

No, this is not a problem. The Health center just needs to note it appropriately on the budget under Contracts. Again, due diligence needs to be done if they do not have a system already. Any costs obligated prior to February 17, 2009 are not eligible, including remaining payments. Anything obligated after February 17, 2009 would be eligible but health centers are cautioned that these funds are only for 2 years and sustainability of projects must be considered.

55. NEW! Guidance states that software maintenance is an allowable cost, yet other information gives the impression that EHR/HIT operational/recurring costs are not an allowable cost. Are EHR/HIT operational/recurring fees an allowable use of CIP funds?

Any costs obligated prior to February 17, 2009 are not eligible, including remaining payments. Any costs obligated after February 17, 2009 would be eligible but health centers are cautioned that these funds are only for 2 years and sustainability of projects must be considered.

56. NEW! Many HCCN's include vendor maintenance fees as part of the monthly fee to the member as a bundled service. If maintenance is allowed, should the networks separate this out? Do our services for configuration and on-going EHR form changes count as maintenance?

Any costs obligated prior to February 17, 2009 are not eligible, including remaining payments. Any of these costs obligated after February 17, 2009 would be eligible but health centers are cautioned that these funds are only for 2 years and sustainability of projects must be considered.

57. NEW! There is the perception that even EHR or PMS must be "shovel ready" meaning contract about ready to ask for monies. Is this absolutely correct or can they stipulate that they are in final stages of vendor negotiations? The concern is the same as I've expressed previously; they are feeling the need to make hasty decisions or they lose the funding opportunity.

Readiness must be demonstrated prior to purchasing the EHR and money must be obligated within 2 years. Grantees should (at the very least) be able to demonstrate readiness and have purchased the EHR by the end of the 2 year period and have the EHR implemented by the end of the 2 year period as well.

Grantees are strongly encouraged to do a full due diligence process that includes readiness assessments, staffing assessments, workflow analysis, vendor RFP, vendor selection, etc. We want them to make informed decisions about the functionality/product they need.

58. NEW! How do I coordinate the CIP funds with upcoming Center for Medicare/Medicaid Service EHR funding opportunities?

Currently, the CIP is the only EHR funding opportunity available. Guidance has not been released for any upcoming funding opportunities. Grantees are encouraged to identify their current needs and priorities and seek funding accordingly.

ISSUE: Budget

59. Does the requested budget have to be specifically for 24 months?

CIP funding is awarded for a 2-year project/budget period. The submitted budget should account for how the CIP funds will be utilized during the 2-year period.

60. The budget (and therefore the narrative) for CIP grants (HRSA-09-244) appears to be specific to this announcement and should not include the base operation. Is this correct?

Yes, the budget and narrative submissions for CIP grants should demonstrate the health center's best projections of how CIP funds will be used over the 2-year project/budget period. **Do not** list any funds that are **not** directly supporting this CIP project (e.g., program income or section 330 operational grants).

61. Do grantees submit one budget for all CIP funds?

No. Grantees will need to submit an individual budget (complete one SF-424C) for each CIP project included in their application. In the EHB, grantees will have an opportunity to see a consolidated budget (a roll-up of all individual CIP projects) prior to submission. Please see the question above for information on types of CIP projects.

62. 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 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. While HRSA is not requiring grantees to meet a cost-sharing or cost-matching requirement for the CIP funding opportunity, HRSA does need to know to what extent other sources of funding will support the CIP project. This share percentage may be 100% for allowable costs.

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

Amounts should be rounded to the nearest whole dollar.

64. Should a grantee set aside a certain percentage or amount in the project budget for technical assistance costs?

Grantees are encouraged to set aside at least 2% of CIP project funds for technical assistance in a certified EHR-related purchase. For all project types, administrative and legal expenses (Line 1 of the SF-424C Budget) may include consulting and technical assistance costs. Administrative and legal expenses should be less than 10% of total project costs. Grantees should evaluate their need for technical assistance during the course of the project and budget appropriately to ensure that they receive the necessary technical assistance to complete the project successfully.

65. UPDATED! Please give us instructions on what you want for the budget justification.

The budget justification should provide sufficient narrative detail of the budget to support proposed CIP activities. The justification must clearly describe each cost element and explain how it contributes to the goals and objectives of the CIP project(s). Further, if there are additional sources of funding, please identify those costs that will be covered by the Federal CIP grant. A budget justification is required for each project. Please refer to sample budget justifications available at <http://bphc.hrsa.gov/recovery/cip/>.

66. How can I track and separate ARRA versus H80 funds?

To facilitate monitoring and tracking of CIP funds from any other funds, CIP grants will be provided under a unique grant number and Payment Management System (PMS) sub-account. The activity code for CIP grants is C81.

67. How will CIP funding be delivered to grantees?

Grantees will receive CIP funds much in the same way centers get their current H80 funding via the PMS; an NGA will be issued under a different grant number. For information regarding the drawdown of your awarded funds, contact your account representative at 1-877-614-5533 or <http://www.dpm.psc.gov/>. Grantees should drawdown funds based on the needs of the CIP project.

ISSUE: Project Proposal

68. Are there page limits for the applications?

Each of the narrative questions for the electronic submission will have its own separate text field. Each text field will be limited to 2,000 characters (including spaces) which is less than one page in length.

Please keep in mind that all information presented in the submission is publishable and may be used to provide information to the public and Congress.

69. How should we organize our application?

To facilitate application submission in EHB, grantees should identify the number and types of projects before they start entering project details in the EHB application. It is recommended that grantees begin with site-specific projects since new sites can be proposed for alteration/repair/renovation and construction projects so these new sites can be available to include in the other types of CIP projects.

70. What is a service impact?

CIP funds may not be used to directly support operational costs which include service provision. A service impact is not supported by CIP funds but occurs as a result of the completion of the CIP project. For example, CIP funds may not be used to directly support patient care, but a CIP-funded renovation that results in a new exam room may indirectly result in additional patients once the project is completed.

71. How should I forecast service impacts?

Grantees should forecast additional providers, patients, and visits that may be counted within a year of completion of all CIP projects. For example, if you purchase new equipment that allows you to provide mammography services and it is fully operational by August 2009, you should forecast the additional providers, patients, and visits that may occur between August 2009 and August 2010. If you also renovate a site to create a new medical exam room and that exam room is not available/functional until September 2010, then you should forecast the additional providers, patients, and visits that may occur between September 2010 and September 2011.

72. What if I do not project to have a direct or service impact as a result of the project, as measured in the application?

It is preferable that a grantee show a measurable projected direct impact (shown by square feet improved or increased, number of health center administrative and facility FTEs created and retained, number of construction-related FTEs created, number of providers using the certified EHR or enhanced HIT system, and/or number of patients with a certified EHR) and a measurable service impact—shown by additional health center provider FTEs, additional patients served, and additional visits upon completion of the CIP project(s) (additional providers, patients, and visits are those that would not exist if not for CIP funded projects).

73. What is "sustainability?"

Sustainability is the outcome of an integrated process of development and operation of a facility that incorporates a balance of life-cycle cost, environmental impact, as well as occupant health and safety, security, and productivity. Health centers will need to describe the overarching impact of the CIP proposal in its entirety on the center's ongoing operational budget. Grantees will need to show that the improved access/services resulting from CIP funding will be accommodated within its existing section 330 operational budget/grant support.

74. What do "green" technologies and design approaches involve in reference to the CIP funding opportunity?

Green technologies and design relate to utilizing technologies and approaches in the planning, construction, and equipping health care facilities in ways that attempts to minimize the depletion and damage of natural resources as well as reduce waste and pollution by changing patterns of production and consumption. This can be achieved by using design practices, technologies, and products that benefit the environment and protect the planet; such as:

- Using energy efficient or alternative energy sources to power facilities.
- Purchase of products and materials that utilize renewable resources, or reduce or eliminate the use and generation of hazardous substances in the production process.
- Purchase of energy efficient products—Electronic Product Environmental Assessment Tool (EPEAT) for Silver Rated products (<http://www.epeat.net>), and Energy Star (<http://www.energystar.gov>)

75. Is green/sustainable design required?

Grantees are encouraged to incorporate sustainable design considerations when planning any building alteration/repair/renovation or construction. Sustainable design considerations shall be included to the maximum extent feasible in alteration/repair/renovation or construction grants with total (Federal and non-Federal) project costs of \$1 million or more. Examples of such design considerations include use of low-impact materials, ensuring energy efficiency, and maximizing reuse/recycling capabilities. For additional information, please see the U.S. Green Building Council's LEED Green Building Rating System (<http://www.usgbc.org>) and the Green Guide for Health Care (<http://www.gghc.org>).

76. What do we put in for current square footage?

On the Project Cover page, current square footage should be the **approximate** square footage of the site(s) where the CIP project is proposed. For new construction, this can be 0; all other project types will need to identify the current square footage.

77. What if the new site I propose to construct or renovate is located in another health center's service area?

HRSA will collect service area information on any new sites proposed by grantees as part of their CIP applications. Based on information provided by the grantee (including the proposed site's address, zip codes and census tracts served), HRSA will evaluate whether the project may result in service area overlap with another health center. Consistent with the HRSA policy for Service Area Overlap (PIN 2007-09, available at <http://bphc.hrsa.gov/policy/pin0709.htm>), if the project will result in service area overlap that doesn't demonstrate sufficient unmet need and/or that will negatively impact on the operation of another health center, the project will not be eligible. If the project is deemed ineligible due to service area overlap issues, HRSA will work with the grantee to determine other uses for the requested project funds and re-budget as necessary.

78. What if my proposed new site will not be operational within 120 days of the application and Change in Scope request submission?

HRSA realizes that many new sites proposed as part of an alteration/repair/renovation or construction project will not be operational within the normally required initial time period of 120 days. Therefore, grantees will need to verify that the site is operational within 60 days of project completion as indicated in the CIP application.

79. When will new sites be verified?

Grantees will need to verify that the site is operational within 60 days of project completion as indicated in the CIP application.

80. Can I terminate a health center site as a part of my CIP proposal?

A grantee cannot delete a site from its current scope of project as part of the CIP application. If a grantee does wish to delete a site because it is proposing a new site as part of the CIP application, it must do so by submitting a Change in Scope request outside of the CIP application process.

81. What information is needed in the Project Management section?

Grantees should use this section to describe the administrative structure and oversight for the project, the qualifications of the individual who will be responsible for managing the project, as well as the ongoing institutional commitment to the proposed improvement or enhancements. CIP funds can be used to hire Project Manager(s); grantees should explain plans to hire and implement the Project Manager position in this section of the application.

82. Who can be listed as the Project Manager?

Grantees should identify the individual who will be responsible for managing the CIP project. Each CIP project proposed by grantees may have different individuals identified as the Project Manager. CIP funds can be used to hire an individual; until the Project Manager has been hired, please identify the interim Project Manager.

83. Are improved square feet and increased square feet different categories?

Total square feet increased and total square feet improved are mutually exclusive categories (i.e., square foot counted as increased cannot also be counted as improved, and vice versa).

84. In the case where existing facilities/sites are to be altered/repared/renovated, 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. Grantees should also include descriptions of how the requested improvements will correct these deficiencies and problems. Describe the modifications to the existing facility that will accommodate the proposed functions and the requested equipment. An explanation of how the proposed improvements will expand, improve, or maintain existing health center activities and future needs that would be accommodated as part of the CIP request, including additional patients served, should be provided.

85. If new construction is proposed, what information needs to be provided?

In the Need section, include a description of how the new facility will expand, improve, or maintain existing health center activities and a description of how future needs would be accommodated by the new facility. Grantees should identify the location of the new site as well as provide a brief summary of any activities that have been undertaken to date (planning, pre-construction, feasibility analysis, etc.).

86. Is a Project Timeline required?

Yes. Grantees will need to provide projected end date for each project and will also have to provide start and end dates for the following phases of the CIP project: planning, project development, implementation, and project completion. All CIP projects should be completed within 2 years.

87. How should we calculate projected FTEs?

These projections should demonstrate the increased impact of new FTEs supported by CIP funds over the 2-year project/budget period. Keep in mind—the expectation for CIP funding is to demonstrate an increase in the number of jobs and to address pressing capital improvement needs in health centers.

Grantees will need to project the number of (1) created and retained health center administrative and facility and (2) created construction-related FTEs. Further, all direct hire and/or contractual FTEs that are supported by CIP funds should be included here. A good rule of thumb for FTEs is to only count each position once for the whole 2-year project/budget period and always use the maximum FTE supported with CIP funding associated with that position.

88. What information is needed for the equipment list?

For the purpose of the CIP project equipment list, equipment includes non-expendable supplies with a per unit cost under \$5,000 (e.g., copier, exam table). Grantees will be prompted to provide a list and justification as part of each CIP project. Equipment should be relevant and appropriate to the needs of the health center. Grantees will need to provide information in the equipment list such as an item description, unit price, quantity, total price, and the type of equipment. CIP grantees will need to identify equipment type as one of the following: clinical, non-clinical, or HIT/EHR.

89. What is clinical versus non-clinical equipment?

Clinical equipment is used in the direct delivery of health care services, whether they are diagnostic, therapeutic, or surgical (x-ray machines, computerized axial tomography scanner, etc.). Non-clinical equipment would encompass all other equipment that is used to meet the day-to-day-operations of the site.

90. Are there specific criteria for the schematic/line drawings?

Yes. Line drawings are extremely important for alteration/repair/renovation and construction projects. The line drawings must fit on an 8.5" x 11" sheet of paper and will be uploaded as part of the CIP submission. These drawings should not be blueprints and do not need to be completed by an architect. The drawings must be legible with the scale clearly indicated. If applicable, submit both existing and

proposed drawings. The drawings should indicate the location of the proposed renovation area in the existing building and the total net and gross square footage of space to be renovated. The drawings should indicate size dimensions, function, as well as the net and gross square feet for each room. Changes or additions to existing mechanical and electrical systems should be clearly described in notes made directly on the drawings.

91. If the project is only for equipment, are line drawings required?

No. However, if a grantee is proposing installation of fixed equipment, line drawings are required and should be included as part of an alteration/repair/renovation or construction project which includes the fixed equipment.

92. Do the line drawings count toward the page limits?

No. The line drawings do not count toward the page limits.

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

A grantee must demonstrate significant site control to ensure that the proposed projects can be completed and that the benefit to the health center will be realized. Additionally, for all alteration/renovation and construction projects with a net cost of more than \$500,000, grantees are required to file a Notice of Federal Interest (NFI) in the property. Grantees that own the project site/facility will directly file an NFI when the project begins. Grantees that lease the project site/facility will need to provide a statement of agreement from the facility owner that proves the owner (1) agrees to the project, (2) agrees to provide the grantee health center reasonable control of the project site for at least 10 years, and (3) agrees to file an NFI in the land records of the local jurisdiction when the project begins.

94. Who needs to file Federal interest?

The owner of the facility must file Federal interest for the following CIP projects:

- All construction projects
- An alteration/repair/renovation project with a net project cost (total project cost less equipment costs) that exceeds \$500,000

95. What if our alteration/renovation project at a leased facility is less than \$500,000?

If the project is an alteration /renovation with a net project cost (total project cost less equipment costs) of \$500,000 or less, then grantees must certify that the existing lease gives the health center reasonable control of the project site and is consistent with the scope of the CIP project.

96. UPDATED! Do all equipment and materials need to be produced in the United States?

Grant awards for alteration/repair/renovation and construction made to private nonprofit health centers under section 330 of the PHS Act do not fall within the scope of the implementing definition of "public building and public work," as set forth in the April 23, 2009 Federal Register Notice (FRN) guidance issued by the Office of Management and Budget (OMB). This FRN which encompasses "a public building of, and a public work of, a governmental entity..." and which provides a listing of illustrative examples. See 2 C.F.R. § 176.140. A "public building or public work" includes a public building or public work of the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions. See 2 C.F.R. § 176.140(a)(2). Accordingly, to the extent that section 330 grants are made to the foregoing governmental entities for the alteration/repair/renovation and construction of public buildings or public works of these entities, these grants would be subject to the Buy American provision.

97. How should attachments be formatted?

All attachments can 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.

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

Yes. All applications should follow the order described in HRSA-09-244.

99. Are blueprints for the design required at the time of application?

No. Do not submit blueprints with your CIP submission. See the question above pertaining to schematic/line drawings.

100. NEW! Who should fill out the EID?

A qualified environmental consultant should complete the Environmental Information and Documentation Checklist.

101. NEW! The EID Checklists states requests that a Flood Insurance Rate Map be attached (Section A-Natural Resources, Question 7). Is this required for all projects, even when the project is not located in a floodplain?

The map is required for all alteration/repair/renovation and construction projects, regardless of whether the project will occur in a floodplain. You do not need to generate and upload a map as part of IT/equipment-only, HIT, or EHR-related projects

102. What information will be uploaded?

The following items may be required for each CIP project:

	Alteration/Repair/ Renovation or Construction Projects	Equipment Only Purchase (IT, HIT, EHR)
Budget Justification (maximum page length = 5 pages)	Required	Required
Schematic Drawings (maximum page length = 5 pages)	Required	Not required
Environmental Information and Documentation Checklist (maximum page length = 14 pages)	Required	Required

103. What other attachments can be uploaded?

The following are types of other attachments that can be uploaded as part of the CIP applications:

- Facility Owner Statement of Agreement
- Environmental Assessment
- Letters of Support for New Sites

ISSUE: Review

104. Who will review the CIP submission?

CIP submissions will be subject to an internal HRSA review for completeness, eligibility, service area overlap, EHR readiness, architectural/engineering reasonableness, environmental impact, and historic preservation.

105. Are there any public policy requirements for CIP awards?

Yes. All CIP submissions will be reviewed by HRSA for compliance with some or all of the following:

- State and local laws pertaining to environmental protection, historic preservation, construction and contracting requirements
- Applicable administrative and construction requirements listed at <http://www.hrsa.gov/hcofconstruction/fedconstructionreq.htm>

106. What are the wage requirements?

The Recovery Act requires prevailing wages to be paid to all laborers and mechanics employed by contractors and subcontractors on CIP projects. This means that all laborers and mechanics shall be

paid wages at rates not less than those prevailing on projects of a character similar in the locality. For additional information on the prevailing wage requirement (also known as the Davis-Bacon Act) for your State, please see <http://www.gpo.gov/davisbacon/index.html>.

107. Is there an insurance requirement for the property?

Yes. Immediately upon completion of the alteration/repair/renovation and/or construction the grantee must, at a minimum, provide the same type of insurance coverage as it maintains for other property it owns. This is consistent with the minimum coverage specified in the HHS Grants Policy Statement.

108. Why must information be collected on the number of American jobs created or maintained as a result of the improvement project, and what are the reporting requirements?

The funds to support CIP awards have been made available under the Recovery Act, which became law in February 2009. The Recovery Act requires that the number of jobs created or maintained as a result of the improvement project be reported to Congress. Additional information will be made available soon at <http://bphc.hrsa.gov/recovery>.

ISSUE: Environmental Review

109. Who needs to complete the Environmental Information and Documentation Checklist?

All grantees MUST SUBMIT A COMPLETED Environmental Information and Documentation (EID) Checklist (Appendix 6) to indicate whether any potential extraordinary circumstances exist. All CIP construction projects will require preparation of a draft Environmental Assessment (EA); HRSA will work with grantees on this requirement. HRSA will notify grantees whether an EA is required for any other projects. If an extremely serious environmental issue is documented, an additional Environmental Impact Statement will be required. If the project has received an Environmental Assessment at the Federal, State, or local level, a copy of the assessment must be sent to HRSA. Please contact the HRSA Office of Policy and Program Development (OPPD) at bphcrecovery@hrsa.gov to determine how to submit this information.

110. Can CIP funds be used to pay for an environmental analysis?

Yes. Costs related to filling out the EID, or preparing a draft Environmental Assessments and associated costs are allowable. Please see Appendix 3 in HRSA-09-244 for other allowable and unallowable costs.

111. NEW! What are the Federal environmental laws?

While there are many, the Federal environmental laws that most often relate to HRSA funded projects include: the Clean Water Act, the Clean Air Act, the Coastal Barriers Resources Act, the Coastal Zone Management Act, the Resources Recovery and Conservation Act, the Endangered Species Act, the National Historic Preservation Act, and the National Environmental Policy Act (NEPA). In addition to these laws, the President issues Executive Orders to address specific concerns. Four Executive Orders most frequently encountered in construction projects include wetland protection, floodplain management, environmental justice, and seismic retrofit. While all projects must conform to each of these laws and Executive Orders, it is, in actuality, the location and nature of the project that determines whether or not a law specifically applies.

112. NEW! What is NEPA and how does it relate to the other laws?

The National Environmental Policy Act (NEPA) requires that HRSA includes an environmental perspective in project planning by evaluating the potential environmental impacts of the proposed project and ensuring an appropriate level of public involvement takes place. The NEPA review process is the means HRSA uses for identifying and considering the requirements of the other environmental laws that apply to the project. A fundamental requirement of NEPA is that the review must be completed prior to starting the project. Funding may be jeopardized if this does not happen.

113. NEW! Can my project be exempt from NEPA?

Many actions, such as routine personnel costs or equipment purchases, may be exempt from the NEPA review and documentation process. Even so, you must be aware that the other environmental laws may still apply and must be addressed. New construction, expansion, alteration, repairs, or renovations are likely to require a more complete NEPA review.

114. NEW! How will I know if the other laws apply to my project?

A "Yes" response to any questions in the Environmental Information and Documentation Checklist is an indication that requirements of one or more of these laws might be triggered. If your project is near or affects a stream, a wetland or other body of water, requires the destruction of an area of natural vegetation, or is in or near a special resource area, like a wildlife refuge, it is likely that you will need input from someone familiar with these laws.

115. NEW! If my project gets its environmental clearance from HRSA and is subsequently funded, do I still need to get a local, state or federal permit to complete my project?

Generally, yes, unless the local, State or Federal regulations have permit exemptions to the work proposed. Remember that HRSA's environmental clearance applies to the construction of the project because of the Federal funding action. HRSA will require as a condition of funding that all applicable permits are obtained. Prior to initiating construction, it is recommended that the regulatory agencies be contacted about any exemptions and expedited permit processes that may be applicable. Work completion in violation of the law runs the risk of losing its Federal grant funding from HRSA.

ISSUE: Cultural Resource Assessment and Historic Preservation

116. Who is subject to section 106 requirements?

Applications for alteration/renovation and construction projects must be reviewed under the terms of section 106 of the National Historic Preservation Act (NHPA); grantees proposing to only purchase IT, equipment, HIT, and/or certified EHR will not need to be reviewed under NHPA. For additional information, see <http://www.ncshpo.org/find/index.htm>.

ISSUE: Administrative Requirements

117. What procurement rules and requirements are grantees expected to comply with? ²

As recipients of Federal grant funds, health centers are already expected to comply with procurement regulations that apply to Federal grantees. These same requirements and regulations apply to any contracts entered into using CIP funds. Alteration/repair/renovation and construction projects usually are carried out through one or more contracts under the grant. Therefore, the circumstances of the procurement are critical to the successful completion of the grant-supported project. All CIP projects proposed to be completed under contractual arrangements must be procured by the methods described in 45 CFR 74.40 through 74.48 or in 92.36, as applicable. It is the grantee's responsibility to make every effort to award any contract(s) under a process where maximum competition is achieved in order to obtain the most reasonable price.

118. NEW! Can you please clarify when it is allowable to hire/contract without competitive bidding?

The Federal Acquisition Threshold for procurement of goods and services \$100,000 or more need to go through competitive bidding. 45 CFR §92.36 (b) through (i).

² An FAQ document was recently posted to provide additional clarification on Procurement Standards. This document is available at <http://bphc.hrsa.gov/recovery/cip/>.

ISSUE: Submission Date and Times

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

There will be an acknowledgment of receipt of applications from the EHB. The submitting authorized official (AO) receives the EHB acknowledgments via an email transmittal.

120. How are applications submitted?

Applications must be submitted electronically through the EHB. To access the application in EHB, grantees will need to log-in at <https://grants.hrsa.gov/webexternal/login.asp> and click on the "Funding Opportunity" link in the left menu. Enter announcement number HRSA-09-244. The Eligibility Code can be found in the EHB generated email that also contains the maximum funding amount.

121. What is considered "on time" for an EHB submission?

On time submission requires submissions to EHB no later than June 2, 2009 at 8:00 p.m. ET.

122. Is a letter of intent required?

No. Letters of intent are not required for this funding opportunity.

ISSUE: Reporting

123. What are the reporting requirements for Recovery Act funding?

Grantees must continue to comply with the usual and customary reporting requirements of the Health Center Program, in addition to specific Recovery Act reporting. Recipients of Recovery Act funding will be required to provide periodic reports to ensure that funds are used for authorized purposes and instances of fraud, waste, error, and abuse are mitigated. Recovery Act funds can be used in conjunction with other funding as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act. Additional information is available at http://www.whitehouse.gov/omb/recovery_default/.

Generally, as required by the Recovery Act, recipients are required to report the following information to the Federal agency providing the award 10 days after the end of each calendar quarter; submission dates will be July 10, October 10, January 10, and April 10. These reports will include the following data elements, as prescribed by the Recovery Act:

1. The total amount of Recovery Act funds;
2. The amount of Recovery Act funds received that were obligated and expended to projects or activities. This reporting will also include unobligated allotment balances to facilitate reconciliations.
3. A detailed list of all projects or activities for which Recovery Act funds were obligated and expended, including
 - a. The name of the project or activity;
 - b. A description of the project or activity;
 - c. An evaluation of the completion status of the project or activity;
 - d. An estimate of the number of jobs created and the number of jobs retained by the project or activity.
4. Detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by the Director of the Office of Management and Budget.