Emergency Rural Health Care Grants

The Emergency Health Care Grant Program provides up to $500 million in grant funding to help broaden access to COVID-19 testing and vaccines, rural health care services, and food assistance through food banks and food distribution facilities.

This Application Guide for Track Two: Impact Grants supplements the Notice of Funds Availability (NOFA) published in the Federal Register on August 12, 2021. It is intended to provide practical, step-by-step assistance through the application process. Should anything in this guide appear to be in conflict with the NOFA, the NOFA takes precedence.

Visit https://www.rd.usda.gov/erhc for more information on this program, including materials for Track One: Recovery Grants.

Track Two: Impact Grants

Track Two: Impact Grants must be used in relation to the COVID-19 pandemic and to support the long-term sustainability of rural health care. Long-term sustainability is defined as “improved health outcomes, improved access to quality health care, and creating and maintaining sustainable economic development for small communities.” Applicants can request assistance for expenses incurred during a three-year award period. Grant awards range from $5 million — $10 million.

Track Two: Impact Grant applications must be received by the applicable Rural Development office by 4 p.m. local time on October 12, 2021. Track Two: Impact applications received after October 12, 2021, will not be considered.

Submit your complete application to the USDA Rural Development state office in the state in which your project is headquartered. Rural Development state office contact information is available at https://www.rd.usda.gov/about-rd/state-offices. For applicants with headquarters located in the District of Columbia, submit your application to:

USDA Rural Development
ATTN: Special Projects Coordinator Jamie Davenport
1400 Independence Avenue, SW, STOP 0787
Washington, D.C. 20250

Application Guide

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Program Overview
Track Two: Impact Grants

What does this grant program do?
This program provides up to $500 million in grant funding to help broaden access to COVID-19 testing and vaccines, rural health care services, and food assistance through food banks and food distribution facilities. Track Two: Impact Grants provide funding to advance ideas and solutions to support the long-term sustainability of rural health.

Who may apply for this program?
Eligible applicants include:
• Public bodies
• Community-based nonprofits
• Federally-recognized Tribes

Track Two: Impact applicants also must establish a network or group of entities that consist of health care provider organizations, economic development entities, federally-recognized Tribes, or institutions of higher learning (which may include academic health and research institutes).

What is an eligible rural area?
Rural areas including cities, villages, towns, townships, and federally-recognized Tribal lands with no more than 20,000 residents as determined by the latest decennial Census (available at this link: https://data.census.gov/cedsci/) are eligible for this program. Facilities and projects must be located in — and primarily serve — rural areas.

Population statistics may be adjusted to exclude long-term prison populations, and the first 1,500 service members living in government quarters on a military installation.

How may grant funds be used?
Track Two: Impact Grants must be used in relation to the COVID-19 pandemic and to support the long-term sustainability of rural health care. Long-term sustainability is defined as “improved health outcomes, improved access to quality health care, and creating and maintaining sustainable economic development for small communities.” Applicants may request assistance for one or more purposes below for expenses incurred during a three-year award period. Grant awards range from $5 million — $10 million, and can be used to:
• Establish or scale a regional partnership or consortium of community leaders and health care partners to plan, implement, and evaluate models to help solve regional health care problems, and promote the long-term sustainability of rural health care
• Establish or scale evidence-based models and broadly share lessons learned
• Identify a health-related problem within a region, develop and implement a method and solution, and conduct a program evaluation to examine health-related outcomes, long-term sustainability, and ability to successfully replicate

Grant funds are limited to an applicable percentage of eligible project costs based on population and the median household income of the population served.

Step 1: Eligibility Determination

Type of Entity
An eligible applicant under this program must be one of the types of entities outlined in 7 CFR 3570.61(a) (available at this link: https://go.usa.gov/xFK3G):

1. A public body, such as a municipality, county, district, authority, or other political subdivision of a state. (State public bodies themselves are not eligible for assistance under this program.)
2. A nonprofit corporation or association. Applicants, other than nonprofit utility applicants, must have significant ties with the local rural community. Such ties are necessary to ensure to the greatest extent possible that a facility under private control will carry out a public purpose and continue to primarily serve rural areas.
3. Federally-recognized Tribes, including a political subdivision of a Tribe, in a rural area

Consortium Requirements
Track Two: Impact applicants must establish a network or consortium of entities for the purposes of this grant. The consortium may be newly formed, or already in existence. The network or consortium must:
1. Be comprised of at least three or more health care provider organizations, economic development entities, federally-recognized Tribes, or institutions of higher learning (which may include academic health and research institutes)

2. Be comprised of rural or urban nonprofit entities, as long as at least 66 percent (two-thirds) of the network members are located in a rural area, and primarily serve a rural area as defined by this program’s NOFA, and

3. Identify one lead entity to serve as the primary applicant and recipient of the Track Two: Impact Grant funds. This lead entity is accountable for monitoring and reporting on the project performance and financial management of the grant. The lead entity or applicant must be an eligible entity as described above, although significant ties to the local rural community can be considered to be satisfied as long as at least 66 percent (two-thirds) of the consortium members are located in a rural area and primarily serve a rural area. The lead entity also must be legally organized as an incorporated organization or other legal entity with legal authority to contract with the Federal Government.

Project Location Eligibility

To be eligible for grant funds under this program, the facility or project to be financed must be located in a rural area as defined in section 343(a)(13)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)) (available at this link: https://www.law.cornell.edu/uscode/text/7/1991) and must primarily serve rural residents.

The terms “rural” and “rural area” mean any area other than a city, town, or unincorporated area with a population greater than 20,000. Population statistics may be adjusted to exclude long-term prison populations, and the first 1,500 service members residing in government quarters on a military installation.

The boundaries for unincorporated areas in determining populations will be based on Census Designated Places (CDP). Data from the most recent decennial Census of the United States (available at this link: https://go.usa.gov/xFKcW) will be used in determining population. For projects located on Tribal trust lands, the population of the Tribal trust land — also based on the most recent decennial Census — will be used to determine the rural area, regardless of whether the Tribal trust land is located within the boundaries of a city or town.

Non-public body applicants are not required to be headquartered in a rural area. However, applicants must demonstrate that the facility to be financed with these grant funds is located in — and will primarily serve — rural areas.

The lead applicant must demonstrate how the project is for the benefit of facilities located in rural areas, and which primarily serve rural residents.

When considering whether a facility primarily serves rural residents, Rural Development will consider the applicant or facility’s normal service territory, excluding any temporary expansion of service area resulting from the COVID-19 pandemic.

Grant Amount and Cost-Sharing

Under Track Two: Impact, the minimum grant assistance is $5 million, and the maximum grant assistance is $10 million.

An applicant is limited in the amount of grant funds it can request, and this grant requires cost-sharing or matching funds. The amount depends on the population where the project or facility is located, and the median household income (MHI) of the population to be served (see Example 1, Appendix). Facilities and projects must be able to show other sources of funds to cover the matching funds, or remaining portion of project costs. Grant assistance will be provided on a graduated scale, with smaller communities with the lowest MHI eligible for a higher proportion of grant assistance.

Grant assistance is limited to the percentages of eligible project costs as outlined below:

a. Up to 75 percent when the proposed project is located in a rural community with a population of 5,000 or fewer, and the MHI of the population to be served by the proposed facility is below the poverty line, or 60 percent of the state nonmetropolitan MHI, whichever is greater

b. Up to 55 percent when the proposed project is located in a rural community with a population of 12,000 or fewer, and the MHI of the population to be served by the proposed facility is below the poverty line, or 70 percent of the state nonmetropolitan MHI, whichever is greater

c. Up to 35 percent when the proposed project is located in a rural community with a population of 20,000 or fewer, and the MHI of the population to be served by the proposed facility is below the poverty line, or 80 percent of the state nonmetropolitan MHI, whichever is greater
d. Up to 15 percent when the proposed project is located in a rural community with a population of 20,000 or fewer, and the MHI of the population to be served by the proposed facility is below the poverty line, or 90 percent of the state nonmetropolitan MHI, whichever is greater.

Please work with the USDA Rural Development state office in the state in which your project is located to determine requirements specific to your project. If your facility serves more than one community, then it is necessary to use a weighted MHI to determine the percentage of grant for which your project qualifies. For example, a hospital may cover a multicounty service area with different MHIs in each county. To determine the MHI for the project service area, calculate a weighted MHI according to the percentage of population within each community (see Example 2, Appendix).

In-kind contributions are not an acceptable source of cost-sharing funds. Applicants must use cash contributions to fund the remaining project costs, and these funds must be expended for an eligible purpose as described in the NOFA and this guide.

In certain circumstances, applicants may use Community Facility Direct Loan financing (available at this link: https://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program) to satisfy cost-sharing requirements. Work with the USDA Rural Development state office in the state in which your organization is headquartered to learn more.

Applicants may not use grant funds received under other Rural Development (RD) programs to satisfy cost-sharing requirements. Other federal and state resources may be acceptable sources to the extent they are permitted under those federal or state program(s). If awarded grant funds under this program, grant funds cannot be used as matching funds for other federal programs.

**Number of Awards**

Applicants can request and receive assistance under both Track One and Track Two awards. Additionally, applicants can request assistance for more than one project location. An applicant with wholly-owned, affiliated entities or subsidiaries can apply on behalf of one or more affiliated entities. An “affiliate” is defined as “an entity controlling or having the power to control another entity, or a third party or parties that control or have the power to control both entities.”

Applicants, including any affiliates, for Track Two: Impact Grants may submit no more than one Track Two application.

**Step 2: Use of Grant Funds**

Grant funds must be used to support health care and nutritional assistance needs in relation to the COVID-19 pandemic and as defined below.

**Grant Period**

For planning purposes, the proposed grant period is anticipated to begin no earlier than January 1, 2022, and is expected to end no later than 36 months following that date.

If you receive an award, your grant period will be revised to begin on the actual date of award – the date the grant agreement is mailed by USDA Rural Development – and your grant period end date will be adjusted accordingly.

**Use of Funds**

**Track Two: Impact** funds must be used in relation to the COVID-19 pandemic and to support the long-term sustainability of rural health care. Long-term sustainability is defined as “improved health outcomes, improved access to quality health care, and creating and maintaining sustainable economic development for small communities.” Often, health care is the key economic driver for small, rural communities, and the closures of rural health care facilities creates negative ripple effects throughout the regional economy.

**Track Two: Impact** applications must define how the proposed project will contribute to improving rural health care access, rural health outcomes, or the economic viability of rural health care.

USDA encourages applicants to consider projects in the following high need areas: developing health care services that offer a blend of behavioral care with other medical services, encouraging rural residents to seek care at their nearest hospitals, supporting health care as an anchor institution in small communities, and expanding access to telehealth, electronic health data sharing, workforce development, transportation, paramedicine, obstetrics, behavioral health, farmworker health care, and cooperative home care.

**Track Two: Impact** applicants may request and use grant funding for one or more of the purposes outlined below. When applying for funding under this program,
your application must include a written budget narrative with a detailed project budget. This narrative must specify the amount of funds requested for each category below, as well as a description of — and justification for — how the figures were calculated.

Grant funds can be used to:

a. Establish or scale a regional partnership or consortium of community leaders and health care partners to plan, implement, and evaluate a model(s) to support solving regional health care problems and promote the long-term sustainability of rural health care.

Health care networks can be an effective strategy to help small rural health care providers align resources, achieve economies of scale and efficiencies, share decision-making authority, collaboratively address community challenges, and create impactful, innovative solutions as a group rather than as single providers.

b. Establish or scale an evidence-based model, and disseminate lessons learned for possible replication in other small communities and regions.

c. Identify a health-related problem within the applicant’s region, develop and implement a method and solution to overcome the problem, and conduct a program evaluation to examine health-related outcomes, long-term sustainability, and replicability.

Implementation may include construction or other related expenses that adhere to requirements specified in the NOFA.

d. Establish a methodology to calculate summary impact measures or an estimated return on investment for the grant funds requested, including job creation and retention numbers, and improvements to quality of life.

e. Cover the cost of technical assistance to assist with one or more aspects of project implementation, project evaluation, data sharing, and reporting requirements.

f. Cover indirect costs in an amount up to a federally-negotiated indirect cost rate. If requesting indirect costs, a copy of the current rate agreement must be provided with the application. Applicants without a negotiated indirect cost rate – except for those non-federal entities described in Appendix VII to Part 200 – States and Local Government and Indian Tribe Indirect Cost Proposals, paragraph (D)(1) (available at this link: https://go.usa.gov/xFEew) – may use the de minimis rate of 10 percent of modified total direct costs. Lead applicants may not request indirect costs on behalf of any other consortium member.

g. Make sub-awards in the form of a grant, cooperative agreement, or contract, as appropriate, to other members of the consortium, or to other service providers such as technical assistance providers.

If a grant or cooperative agreement is awarded, the organization receiving the subaward is a subrecipient (see 2 CFR 200.1, available at this link: https://ecfr.io/Title-2/Part-200), and the recipient is responsible for complying with all applicable requirements of 2 CFR part 200, including provisions for making and monitoring an award. If a contract is awarded, the organization receiving the subaward is a contractor, and the recipient is responsible for following its written procurement procedures and complying with the Federal Acquisition Regulation. Both subrecipients and contractors are required to comply with all applicable laws and regulations, including performance and financial reporting, as described in their award document.

h. Pay professional service fees and charges associated with the grant request.

Limitations: Professional service fees and charges can only be considered when they are a necessary part of a facility or project allowable under this NOFA, are a secondary part of the grant amount requested, when Rural Development agrees the amounts are reasonable and customary for the type of facility, and:

- The professional service provider is selected through a qualifications-based process, or
- The professional service provider is the project architect, project engineer, environmental professional, environmental consultant, or legal counsel, in which case a competitive qualifications-based procurement process is not required.

Ineligible Use of Funds

Grant funds must not be used for the following purposes:

a. Expenses or losses that have been reimbursed from any other source(s), or that other sources are obligated to reimburse.

b. Expenses related to staffing needs may not exceed an annual salary of $100,000, as prorated over the
applicable time period. This limitation is placed on cash compensation and does not include other health care or retirement plan compensation.

c. Construction, renovation, purchase, or acquisition costs for facilities located in nonrural areas

d. Purchase or acquisition costs for facilities or property

e. To pay for existing indebtedness unrelated to the COVID-19 pandemic

f. To pay obligations incurred before the beginning date or after the ending date of the grant agreement

g. Any purpose prohibited in 2 CFR part 200 (link available here: https://ecfr.io/Title-2/Part-200) or 2 CFR part 400 (link available here: https://ecfr.io/Title-2/Part-400)

Step 3: Application Submission

Submit your complete application to the USDA Rural Development state office in the state in which your project is headquartered. Rural Development state office contact information is available at https://www.rd.usda.gov/about-rd/state-offices. For applicants with headquarters located in the District of Columbia, submit your application to:

USDA Rural Development
ATTN: Special Projects Coordinator Jamie Davenport
1400 Independence Avenue, SW, STOP 0787
Washington, D.C. 20250

Track Two: Impact Grant applications must be received by the applicable Rural Development office by 4 p.m. local time on October 12, 2021. Track Two: Impact applications received after October 12, 2021 will not be considered.

The USDA Rural Development state office will conduct initial eligibility reviews. The USDA Rural Development national office will coordinate application reviews, rankings, and selections based on information received by the agency as of October 12, 2021, and according to the selection criteria in the NOFA.

Applications must contain all parts necessary for Rural Development to determine applicant and project eligibility, ensure environmental and architectural requirements are met, calculate a priority score, and rank the application.

To apply for a Track Two: Impact Grant, provide the following information:

- A summary page, double-spaced between items, listing the following information (not in narrative form):
  - Specify funding track requested: Track Two: Impact Grant
  - Applicant name
  - Amount of grant request
  - Project description: No more than three sentences summarizing applicant entity, location of assistance, and purpose of grant funds

- A detailed Table of Contents containing page numbers for each component of the application

- SF-424 “Application for Federal Assistance,” available at this link: https://go.usa.gov/xFWt6

- SF-424A “Budget Information – Non-Construction Programs,” available at this link: https://go.usa.gov/xFWz3

- SF-424C “Budget Information – Construction Programs,” available at this link: https://go.usa.gov/xFWza

- Organizational documents demonstrating the applicant is an eligible entity as described in Section IV, “Eligibility Information” of the Notice of Funding Availability (NOFA). The NOFA and additional program materials are available at the program webpage: https://www.rd.usda.gov/erhc.

- Nonprofit applicants must provide:
  - Articles of organization, incorporation, or association
  - By-laws
  - Evidence of good standing
  - Evidence of ties to the local rural community

- Ties to the local rural community may be demonstrated through one or more of the following:
  - Close association with – or control by – a local unit of government
  - Broad-based ownership and control by members of the community, as demonstrated through a listing and description of board members that are representative of the community or service area
  - Substantial public funding as demonstrated
through pledged taxes, revenue bonds, local government sources, or community-wide fundraising campaigns

- Evidence of eligibility. Applicants must submit sufficient documentation to demonstrate how the health care facility(ies) or project(s) to be funded through this grant primarily serves rural areas, is located in a rural area, and serves a population with a median household income below the poverty line or applicable percentage defined in the NOFA. This submission must describe the proposed facility or project and its service area, including:
  - Location of the facility(ies) and all associated population demographics
  - Description of the area and number and demographics (if known) of the population to be served, sufficiently detailed to verify Project Location Eligibility as outlined in Section IV – “Eligibility Information” – of the NOFA
  - Evidence the facility(ies) or project primarily serves rural residents
- A written budget narrative providing a detailed project budget, which also includes the following information:
  - The amount of funds requested from each Eligible Use of Grant category, with a description of how the figure was calculated
  - A breakdown of project cost demonstrating the percentage of total project costs the grant assistance will cover, which is dependent on population and median household income
  - The time period for which the assistance is requested. All awards are limited to up to a 36-month grant period based on project complexity

For planning purposes, the proposed grant period is anticipated to begin no earlier than January 1, 2022, and is expected to end no later than 36 months following that date.

If you receive an award, your grant period will be revised to begin on the date the grant agreement is mailed by Rural Development, and your grant period end date will be adjusted accordingly.

- Environmental information necessary to support Rural Development’s environmental findings. Details are available at this link: https://go.usa.gov/xFW9M

Typically, projects that do not involve construction or renovation are classified as Categorical Exclusions and do not require an Environmental Report or an Environmental Assessment. However, additional documentation may be necessary to address extraordinary circumstances.

For projects involving construction, an Environmental Report or Environmental Assessment is required. Information required in an Environmental Report or an Environmental Assessment can be found in 7 CFR Part 1970 (available at this link: https://go.usa.gov/xFW9M), specifically in subpart B, Exhibit C (available at this link: https://www.rd.usda.gov/sites/default/files/1970b.pdf), and subpart C, Exhibit B (available at this link: https://www.rd.usda.gov/sites/default/files/1970c.pdf), respectively. Please work with the USDA Rural Development state office in the state in which your project is located to determine requirements specific to your project.

- For projects involving construction, a preliminary architectural feasibility report or engineering documentation, completed in accordance with agency guidelines in RD Instruction 1942-A, Guide 6 (available at this link: https://www.rd.usda.gov/files/1942a.pdf)

Description and certification of applicant’s cost share sources in accordance with the NOFA and “Step 1: Eligibility Determination, Grant Amount and Cost Sharing” section of this document

- Three years of the most recent audits or financial statements, including a current balance sheet and income and expense statement for the lead applicant

If audits are not available, applicants may provide this information on:

- Forms RD 442-7, “Operating Budget” – including projected cash flow (available at this link: https://go.usa.gov/xFWzT)
- RD 442-2, “Statement of Budget, Income and Equity” (available at this link: https://go.usa.gov/xFWzK), and
- RD 442-3 “Balance Sheet” (available at this link: https://go.usa.gov/xFyBC)

- Intergovernmental Review comments, if applicable, from the local planning district commission
- Certification of Non-Lobbying Activities (available at this link: https://go.usa.gov/xFWzX)
• Standard Form LLL, “Disclosure of Lobbying Activities,” if applicable (available at this link: https://go.usa.gov/xFWzn)

• Certification regarding any known relationship or association with a USDA employee in accordance with 7 CFR part 1900, subpart D (available at this link: https://go.usa.gov/xFWzP)

• A written narrative that illustrates organizational capacity and strength of consortium, including:
  - Evidence of an agreement formalizing a consortium for purposes of this grant funding
    - This agreement must be signed by an authorized representative of the lead entity applicant, and an authorized representative of each consortium partner.
  - A description of the composition of the consortium membership and how each partner is needed to successfully accomplish project activities
  - A description of the abilities and contributions of the lead applicant organization and other consortium members
  - Evidence and description of how the consortium will maintain ties to the local rural community(ies)
  - A description of how the consortium will impact rural community(ies) and providers, and how the network will strengthen its relationship with the community and region it serves
  - The identification of a project director (or details of your strategy to identify one) to manage the grant
    - Include the manager’s key activities and expected percentage of time to be devoted to the project.

• Workplan and Proposed Budget
  - Provide a project work plan that clearly illustrates the consortium’s goals, strategies, activities, and proposed measurable outcomes encompassing the period of performance. The work plan must identify the individual or organization responsible for carrying out each activity, include a timeline for the period of performance, and illustrate its relation to the COVID-19 pandemic.
  - Provide a complete, consistent, and detailed budget presentation for up to a three-year period of performance through the submission of the SF-424A budget form (available at this link: https://go.usa.gov/xFWz3) and a budget narrative that justifies the appropriateness of the requested funds.

• Evaluation, Impact, and Replicability
  - Describe how the proposed progress toward meeting program goals contributes to the long-term sustainability of rural health care by improving rural health care access, improving rural health outcomes, and sustaining health care as an economic driver for the rural community or region.
  - Describe how progress toward meeting program goals and determination of a return on investment will be tracked, measured, and evaluated.
  - Explain a process for evaluating how the consortium’s resources will be used to increase access to health care services, improve rural health outcomes, and support health care as a key economic driver for small communities. Include a discussion regarding the consortium’s plan for any necessary data collection among members of the consortium.
  - Identify factors and strategies that will lead to project viability, sustainability of the consortium’s activities after federal funding ends, and establishment of an evidence-based model for the dissemination of lessons learned for future replication.

• Obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number (available at this link: https://fedgov.dnb.com/webform/) and register in the System for Award Management (SAM) (available at this link: https://sam.gov/content/home) prior to submitting an application
  - Applicants must maintain a functional registration in SAM at all times during an active federal award and while an application or plan is under consideration by Rural Development. For additional guidance regarding SAM, please visit the NOFA.

Step 4: Application Process and Review

Applications for Track Two: Impact funding will be processed by Rural Development using these steps:
1. Eligibility Review (conducted by the applicable Rural Development state office):
   - Type of applicant entity, including evidence of a consortium of partners
   - Project location and service area eligibility
   - Grant amount and cost-sharing
   - Use of funds

2. Completeness Review (conducted by the applicable Rural Development state office):
   - Ensuring all required information (as identified in the NOFA and the Application Checklist) is included in the application package

3. Rating, Ranking, and Selections (coordinated by the Rural Development national office):
   - Applications are evaluated solely on the information provided in the application
   - Scores are based on the Evaluation Criteria (maximum 100 points. See Figure 2, Appendix). Rural Development will use a panel of qualified reviewers
   - Rural Development will review and consider any information about the applicant in the Federal Awardee Performance and Integrity Information System (FAPIIS) (available at this link: https://www.fapiis.gov)

**Step 5: Grant Obligation and Reporting Requirements**

**Grant Obligation**

Rural Development will consider the level of risk posed by applicants, according to information presented in the Federal Awardee Performance and Integrity Information System (FAPIIS) (available at this link: https://www.fapiis.gov), and will select the highest scoring applications for funding.

Applicants selected for funding will be provided a Letter of Conditions and must acknowledge and complete the following steps:

1. Upon acceptance of the conditions, the applicant will sign and return the following forms to the Rural Development processing office from which the grant award notice was received:
   - RD 1940-1: “Request for Obligation of Funds”

   The forms are available at this link: [https://go.usa.gov/xFKga](https://go.usa.gov/xFKga).

2. The grant will be considered approved on the date a Rural Development-signed copy of Form RD 1940-1, “Request for Obligation of Funds,” is mailed to the applicant.

3. Applicants must sign an agency-approved grant agreement.

4. Applicants must meet any pre-disbursement conditions outlined in the Letter of Conditions.

**Closing Requirements**

If selected for funding, applicants will be required to execute Form RD 3570-3 “Community Facilities Grant Agreement” (available at this link: [https://go.usa.gov/xFKga](https://go.usa.gov/xFKga)) before any grant funds are advanced.

Agency grant funds will be disbursed after applicant contributions, and on a pro rata basis with other funds. Applicants must provide evidence of the applicant’s contribution and other sources of funds toward the total project cost through bank statements or similar official confirmation. Applicants can also provide evidence of other sources of funding through signed commitment letters.

**Grant Disbursements**

Rural Development will make payments under the grant agreement in accordance with 2 CFR 200.305. All requests for advances or reimbursements must comply with 2 CFR 200.306 “Cost sharing or matching” (available at this link: [https://go.usa.gov/xFKgb](https://go.usa.gov/xFKgb)).

Rural Development customarily disburses funds on a reimbursement basis. If selected for funding, applicants must provide proper documentation before grant funds are disbursed.

Specific documentation requirements may differ depending on the approved project details for which the grant is received. These will be specified in the grant agreement. Typically, the following documentation is required for grant disbursements, which will occur either by direct deposit or electronic funds transfer:
1. Written request for funds

2. RD 1924-18, “Partial Pay Estimate” (as applicable for construction related projects), available at this link: https://forms.sc.egov.usda.gov/eFileServices/eForms/RD1924-18.PDF

3. SF-270, “Request for Advance or Reimbursement,” or SF-271, “Request for Reimbursement for Construction Programs” (if applicable); available at this link: https://www.grants.gov/forms/post-award-reporting-forms.html

4. Appropriate documentation to justify the amount requested, such as receipts, invoices, payroll records, CPA certifications, or other documentation

Construction Requirements


Any construction work completed with grant funds under this award must meet Davis-Bacon Act conditions set forth in section 9003(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103(f)).

Reporting Requirements

If selected for funding, your letter of conditions and grant agreement will specify the reporting requirements throughout the grant period. Reporting periods are quarterly or semi-annually, depending on the approved project details. Typically, reporting requirements include:

1. Form SF-425, “Financial Status Report” (available at this link: https://www.grants.gov/forms/post-award-reporting-forms.html) Reports are due 30 calendar days after the end of the reporting period. A final report is due within 120 days after the end of the grant period.

2. Form SF-PPR, “Performance Progress Report.” This report is due 30 days after the end of the reporting period. A final report is due within 90 days after the end of the grant period.

3. Annual financial statements. The type(s) of statements required depends on the amount of federal financial assistance expended during the grantee's fiscal year in accordance with 2 CFR part 200 (available at this link: https://ecfr.io/Title-2/Part-200) as adopted by Rural Development in 2 CFR part 400 (as available at this link: https://ecfr.io/Title-2/Part-400).

Rural Development is interested in establishing evidence-based models regarding the long-term sustainability of rural health care. Additionally, Rural Development is interested in disseminating lessons learned for future replication in other rural areas. Recipients of Track Two: Impact funding may be asked to participate in activities intended to strengthen evidence-based models and to disseminate lessons learned.

Use and Disposition of Equipment and Property

Grant recipients can use equipment acquired through the project for as long as needed. If there is no longer a need for the equipment for activities funded through this grant or for activities sponsored by other federal agencies, equipment can be sold or used for other activities. However, certain disposition requirements apply.

Equipment with a fair market value of $5,000 or more requires the grantee to provide compensation to the agency in accordance with Rural Development disposition requirements. Equipment with a fair market value of less than $5,000 may be used for other purposes without compensation to the agency.

Grant recipients can use real property – including land, improvements, and structures – for authorized purposes of the original grant as long as needed. The grantee must obtain approval to use the real property in other projects when the project is no longer needed for original grant purposes. When the real property is no longer needed, the grantee must adhere to Rural Development's disposition requirements, which may require the grantee to compensate the agency or transfer the property title to the federal government.
Appendix

Example 1 - Single Community:
A regional hospital is located in Home Town, USA. Home Town has a population of 9,000 residents. The population the hospital serves has an MHI of 58 percent of the state’s nonmetropolitan MHI. Although this hospital meets the MHI requirements that equate to a grant comprising 75 percent of total project costs, the population where the facility is located exceeds the population threshold. Therefore, this hospital is eligible for a maximum grant comprising 55 percent of total eligible project costs.

Example 2 - Multiple Communities (with Figure 1):
A hospital is located in a community with a population of 11,000. The state's nonmetropolitan MHI is $60,000.
The hospital’s service area consists of County A and County B. County A has a population of 35,000 and a MHI of $45,000. County B has a population of 24,000 and a MHI of $38,000.

To calculate the weighted MHI, multiply the population of each community by the MHI of each community and total the resulting number (in this example: 35,000 times $45,000 equals 1,575,000,000 and 24,000 times $38,000 equals 912,000,000). Then, divide that total by the total combined population for a weighted MHI (in this example: 2,487,000,000 divided by 59,000). In this example, the hospital serves a population with a Weighted MHI of $42,153.

To determine the applicable percentage of grant this applicant qualifies for, compare the weighted MHI with the state’s nonmetropolitan MHI. In this example, the hospital’s weighted MHI of $42,153 is less than 80 percent of the state’s nonmetropolitan MHI. Even though the hospital is located in a community of 11,000 (less than 12,000), it does not qualify for a 55 percent grant because the weighted MHI is higher than what is permitted for the 55 percent grant. Therefore, the hospital qualifies for a 35 percent grant.

Figure 1: Calculating Weighted MHI for Multiple Communities

<table>
<thead>
<tr>
<th>Community Column A</th>
<th>Population (Pop.) Column B</th>
<th>Median Household Income (MHI) Column C</th>
<th>Pop. x MHI Column D</th>
</tr>
</thead>
<tbody>
<tr>
<td>County A</td>
<td>35,000</td>
<td>$45,000</td>
<td>1,575,000,000</td>
</tr>
<tr>
<td>County B</td>
<td>24,000</td>
<td>$38,000</td>
<td>912,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>59,000</td>
<td>N/A</td>
<td>2,487,000,000</td>
</tr>
</tbody>
</table>

• Weighted MHI = (Total Column D divided by Total Column B): $42,153
• State Nonmetropolitan Median Household Income = $60,000
  • 60 percent of state nonmetro MHI = $36,000
  • 70 percent of state nonmetro MHI = $42,000
  • 80 percent of state nonmetro MHI = $48,000
  • 90 percent of state nonmetro MHI = $54,000
### Evaluation Criteria Table

<table>
<thead>
<tr>
<th>Evaluation Criterion</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Distressed Communities and Communities below the poverty line threshold priority. Ten (10) points will be given for facilities located in distressed communities (according to the EIG index), or communities below the poverty line. For applications supporting two or more facility locations, these priority points will only be given if 50 percent or more of the requested award funds will support distressed communities or communities below the poverty line. EIG's Distressed Communities Index is a measure of community well-being using seven economic metrics. To learn more, visit <a href="https://eig.org/dci">https://eig.org/dci</a>. To determine whether a facility is located in a Distressed Community, view the EIG Distressed Community Map (available at this link: <a href="https://ruraldevelopment.maps.arcgis.com/apps/webappviewer/index.html?id=06a26a91d074426d944d22715a90311e">https://ruraldevelopment.maps.arcgis.com/apps/webappviewer/index.html?id=06a26a91d074426d944d22715a90311e</a>).</td>
<td>10</td>
</tr>
<tr>
<td>(b) Income priority. A maximum of 15 points will be given. If the median household income of the project’s service area is below the higher of the poverty line or:</td>
<td>N/A</td>
</tr>
<tr>
<td>i. 60 percent of the state nonmetropolitan median household income</td>
<td>15</td>
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<tr>
<td>ii. 70 percent of the state nonmetropolitan median household income</td>
<td>12</td>
</tr>
<tr>
<td>iii. 80 percent of the state nonmetropolitan median household income</td>
<td>9</td>
</tr>
<tr>
<td>iv. 90 percent of the state nonmetropolitan median household income</td>
<td>6</td>
</tr>
<tr>
<td>(c) Population priority. A maximum of ten (10) points will be given. If the facility is located in a rural community having a population, according to the most recent decennial Census, of:</td>
<td>N/A</td>
</tr>
<tr>
<td>i. 5,000 or fewer</td>
<td>10</td>
</tr>
<tr>
<td>ii. 5,001 to 10,000</td>
<td>6</td>
</tr>
<tr>
<td>iii. 10,001 to 15,000</td>
<td>3</td>
</tr>
<tr>
<td>(d) Need, Methodology, and Innovation. A maximum of 25 points will be given. Rural Development will use a panel of qualified reviewers to assess need, methodology, and innovation among the following factors:</td>
<td></td>
</tr>
<tr>
<td>i. The extent to which the application clearly describes the purpose of the proposed project, the local and regional health care environment, how the need was identified, expected outcomes, focus area(s) and the aim(s) the project would support</td>
<td></td>
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<tr>
<td>ii. The extent to which the applicant describes an innovative approach to address the need, goals, and objectives and the appropriateness of the proposed strategy</td>
<td></td>
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<tr>
<td>iii. The extent to which the applicant’s project will provide demonstrable impact to rural community(ies) and the health care community</td>
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<tr>
<td>(e) Organizational Capacity and Strength of Consortium. A maximum of 15 points will be given. Rural Development will use a panel of qualified reviewers to assess organizational capacity and strength of consortium among the following factors:</td>
<td></td>
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<tr>
<td>i. Clarity of the roles and responsibilities for each consortium member and the extent to which the network members demonstrate the strength of their mutual commitment in carrying out planned activities</td>
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<tr>
<td>ii. The extent to which the application identifies the composition, capacity, and expertise of each consortium member, and successfully connects this expertise to the consortium members’ (and project director’s) proposed responsibilities</td>
<td></td>
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<tr>
<td>iii. The extent to which the application describes the geographical relationship with the rural service population. Urban-based applicants also must demonstrate how the rural population will be served, and that a high degree of local rural control of the project will be maintained.</td>
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<tr>
<td>iv. Strength of the relationship between the consortium and the community or region it serves. Degree to which the consortium collaborates with appropriate organizations in the community to fulfill the goals of the consortium and the project.</td>
<td></td>
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<tr>
<td>v. Strength and qualifications of the project director, who will dedicate a sufficient amount of time to the program and be responsible for monitoring the program and ensuring award activities are carried out. This element includes measuring the effectiveness of the application in clearly demonstrating how the project director’s role contributes to the success of the network.</td>
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<tr>
<td>(f) Workplan and Proposed Budget. A maximum of ten (10) points will be given. Rural Development will use a panel of qualified reviewers to assess the workplan and proposed budget among the following factors:</td>
<td></td>
</tr>
<tr>
<td>i. The feasibility of activities and objectives identified in the work plan – including measurable outcomes – and the degree to which these expected outcomes will be met by the end of the period of performance</td>
<td></td>
</tr>
<tr>
<td>ii. The reasonableness of the proposed budget for each year of the period of performance in relation to the objectives, the complexity of the project activities, and the anticipated results</td>
<td></td>
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</tbody>
</table>

(continued next page)
(g) Evaluation, Impact, and Replicability. A maximum of ten (10) points will be given. Rural Development will use a panel of qualified reviewers to assess evaluation, impact, and replicability along the following factors:

i. The clarity and appropriateness of the proposed goals, objectives, and strategy to calculate summary impact measures or return on investment, and the extent to which project activities will result in achieving the proposed goals outlined in the work plan. This also includes the extent to which measures are able to be tracked, to assess whether program objectives will be met, and the degree to which these can be attributed to the program.

ii. The appropriateness and strength of data collection efforts from the lead applicant as well as other members of the consortium, including any plans to solicit or provide technical assistance to support data collection efforts.

iii. The appropriateness and strength of the proposed process for evaluation.

iv. The extent to which the applicant clearly identifies factors and strategies that will lead to viability and sustainability of the network beyond federal funding, and after the program ends. This includes the clarity and reasonableness of proposed steps to disseminate lessons learned and encourage replication where appropriate.

(h) Equity priority. A maximum of 5 points will be given to applications with projects located in a community with a score of 0.75 or higher, according to the CDC’s Social Vulnerability Index (available at this link: [https://www.atsdr.cdc.gov/placeandhealth/svi/index.html](https://www.atsdr.cdc.gov/placeandhealth/svi/index.html)).

Applicants can verify whether projects qualify for these priority points through the RD webpage at [https://www.rd.usda.gov/priority-points](https://www.rd.usda.gov/priority-points).

For applications supporting two or more facility locations, these priority points will only be given if 50 percent or more of the requested award funds will support communities identified for priority points through the CDC’s Social Vulnerability Index.

<table>
<thead>
<tr>
<th>Evaluation Criterion</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>(g) Evaluation, Impact, and Replicability.</td>
<td>10</td>
</tr>
<tr>
<td>(h) Equity priority.</td>
<td>5</td>
</tr>
</tbody>
</table>

**TOTAL PROJECT SCORE (Maximum Points = 100)**

SUM
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