



Rural Development
U.S. DEPARTMENT OF AGRICULTURE



Emergency Rural Health Care Grants
Track 1: Recovery Grants
Application Guide

Together, America Prospers

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 One: Recovery Grants** is a supplement to the NOFA and 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.

Please read the Notice of Funds Availability (NOFA) published in the *Federal Register* on August 12, 2021.

Visit <https://www.rd.usda.gov/erhc> for more information on this program, including materials for **Track Two: Impact Grants**.

Track One: Recovery Grants

Track One: Recovery Grants must be used in relation to the COVID-19 pandemic and to support immediate health care needs, to help prepare for a future pandemic event, or to increase access to quality health care services and improve community health outcomes. Grant awards range from \$25,000 — \$1 million.

Track One: Recovery applications will be accepted on a continual basis until funds are exhausted. Each Rural Development state office will conduct a review, rating, and selection from complete applications received by 4 p.m. local time on October 12, 2021. Subsequent reviews, ratings, and selections will occur as long as funding remains available.

To apply for a **Track One: Recovery Grant**, submit your complete application to the USDA Rural Development state office (link here: <https://www.rd.usda.gov/about-rd/state-offices>) in the state in which your project is located.

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Program Overview

Track One: Recovery 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 One: Recovery Grants provide immediate relief to address the economic conditions arising from the COVID-19 emergency.

Who may apply for this program?

Eligible applicants include:

- Public bodies
- Community-based nonprofit corporations
- Federally-recognized Tribes

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 2010 U.S. Census Data (available at this link: <https://go.usa.gov/xF6wZ>) 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 One: Recovery funds must be used in correlation with the COVID-19 pandemic, and to support immediate health care needs, to help prepare for a future pandemic event, to increase access to quality health care services, or to support food assistance through food banks and food distribution facilities. Applicants may request assistance for one or more of the categories below for expenses incurred on or after March 13, 2020. Grants range from \$25,000 — \$1 million. Funds must be used to:

- Increase capacity for vaccine distribution
- Provide medical supplies and equipment to increase medical surge capacity

- Reimburse for health care-related lost revenue used to maintain capacity during the coronavirus pandemic
- Increase telehealth capabilities, including underlying healthcare information systems
- Construct or renovate temporary or permanent structures to provide health care services
- Support staffing needs for testing or vaccine administration
- Support facilities, equipment, and operating expenses associated with food banks and food distribution facilities

Step 1: Eligibility Determination

Type of Applicant Entity

An eligible applicant under this program must be one of the types of entities outlined in 7 CFR 3570.61(a) (link here: <https://go.usa.gov/xFK3G>) and as provided below:

1. A public body, such as a municipality, county, district, authority, or other political subdivision of a state. State public bodies 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

Project Location Eligibility

To be eligible for grant funds under this program, the eligible 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)) (link available here: <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 2010 decennial Census of the United States (link available here: <https://go.usa.gov/xF6wZ>) 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. Nonprofit applicants must demonstrate significant ties to the local rural community.

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 One: Recovery**, the minimum grant assistance is \$25,000, and the maximum grant assistance is \$1 million.

An applicant is limited in the amount of grant funds it can request to assist a facility and requires cost-sharing or matching funds. The amount depends on the population of 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. In such instances, 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 utilize a weighted MHI to determine which percentage of grant 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 to satisfy cost-sharing requirements. Work with the USDA Rural Development state office in the state in which your project is located 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 the federal or state program(s). If awarded grant funds under this program, grant funds may not be utilized as matching funds for other federal programs.

Number of Awards

Applicants may request and receive assistance under both **Track One** and **Track Two** awards. Additionally, applicants may request assistance for more than one project location. An applicant with wholly-owned, affiliated entities or subsidiaries may apply on behalf of one or more affiliated entities. An “affiliate” is 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.

If it is determined that an applicant is affiliated with another entity that has also applied, then the maximum grant award applies to all affiliated entities as if they applied as one applicant.

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.

If requesting Track One: Recovery funds for lost health care revenue or staffing expenses, applicants may use the applicable percentage of lost revenue or staffing expenses to satisfy the cost-sharing requirement for these grant purposes. For example, an applicant that suffered \$100,000 in lost health care revenues associated with a facility located in a rural community of less than 5,000 and a MHI of less than 60 percent of the state nonmetropolitan MHI is eligible for a maximum grant assistance of 75 percent. In this example, the applicant can request \$75,000 for grant funding associated with lost revenues, and the remaining \$25,000 in lost revenues serves as the balance of the total project cost.

Grant Period

Funds from the categories below may be requested for expenses incurred during the grant and eligible pre-award period dating back to March 13, 2020. For planning purposes, the proposed grant period is anticipated to begin no earlier than November 1, 2021, and is expected to end no later than 36 months following that date.

Eligible pre-award costs may be requested for costs incurred between March 13, 2020 and the project start 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 Rural Development — and your grant period end date will be adjusted accordingly.

Use of Funds

Track One: Recovery funds must be used in correlation with the COVID-19 pandemic and to support immediate health care needs, to help prepare for a future pandemic event, or to increase access to quality health care services and improve community health outcomes. To be eligible for this program, a project must support health care needs – including access to nutrition assistance through food banks and food distribution facilities – in the applicant’s rural community.

Funds may be requested 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.

- a. Increase capacity for vaccine distribution, including cold storage, vehicle, transportation, and other equipment expenses
- b. Provide medical supplies and equipment to increase medical surge capacity, including personal protective equipment and laboratory equipment
- c. Reimburse for health-related lost revenue during the COVID–19 pandemic, including revenue losses incurred prior to the grant award dating back to March 13, 2020

NOTE: Requests for this category must include a certification from a certified public accountant (CPA)

confirming the calculation of lost revenue requested is accurate. CPAs may use one of two approaches to verify the lost revenue calculation: 1) comparison of actual revenues or 2) comparison of approved budget to actual revenues. Under both approaches, the applicant may choose the applicable time period (for example: month, quarter, or year) for the request, as long as the same time period is chosen for both years.

For example, when comparing actual revenues, a hospital may choose to request lost revenues experienced from April 1, 2020 - September 30, 2020 (six months). To verify and validate the lost revenues requested, the CPA must compare actual revenues from April 1, 2020 - September 30, 2020 with actual revenues from April 1, 2019 - September 30, 2019. The difference in revenues represents the lost revenue.

Alternatively, applicants and CPAs may compare an approved budget to actual revenues. CPAs may consider budgeted revenues if the budget(s) and associated documents covering the time period requested were established and approved on or before March 13, 2020. The budgeted revenue less the actual revenue represents the lost revenue.

To be considered an approved budget, the budget must have been ratified, certified, or adopted by the applicant's financial executive or executive officer on or before March 13, 2020, and the CPA will be required to attest that the budget was established and approved on or before March 13, 2020.

Applicants may request lost revenue for any portion of time between March 13, 2020 and the time of application.

For either method of calculating lost health care revenues, the CPA certification also must definitively state that requested lost revenues have not been reimbursed from other federal or state resources. Applicants that received federal funding for lost revenues under other programs may still be eligible under this program if the applicant can demonstrate the other federal funding did not fully cover the lost revenue experienced, and there are no other outstanding applications for assistance to cover this lost revenue.

- d. Increase telehealth capabilities, including the purchase of equipment and training necessary for telehealth providers and end-users (Examples:

telehealth software, electronic security upgrades, electronic health records, data sharing capacity, video and teleconference services, and other underlying health care information systems)

- e. Construct or renovate temporary or permanent structures to provide health care services such as testing, vaccine administration, and facility modifications

Examples of facilities offering health care services include health care clinics, hospitals, medical offices, outpatient facilities, mobile health clinics, behavioral health and addiction treatment centers, assisted and skilled living facilities, rehabilitation facilities, urgent care, telehealth facilities, and wellness centers, among others. Regardless of type of facility or type of services offered, the applicant must be an eligible entity: public body, nonprofit, or federally-recognized Tribe.

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) (link available here: <https://www.dol.gov/agencies/whd/laws-and-regulations/laws/dbra>).

- f. Support staffing needs for testing or vaccine administration

Requests for this category must include a certification from a certified public accountant (CPA) that submitted staffing expenses have not been reimbursed from other federal or state resources.

- g. Support facility, equipment, and operating expenses associated with food banks and food distribution facilities, including transportation, vehicles, food storage, and other equipment. Operating expenses are limited to the grant award and pre-award cost periods, and must be supported with documentation such as financial statements.

- h. To pay professional service fees and charges

Limitations: Professional service fees and charges can only be considered when they are a necessary part of a facility or project allowable under this Notice of Funding Availability (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.
- i. To pay for pre-award costs incurred between March 13, 2020 and the proposed project start date for any eligible category in paragraphs a. through h. above

NOTE: Any pre-award activities related to construction or renovation costs must still adhere to the requirements specified in this guide, including Davis-Bacon Act requirements and all Rural Development environmental requirements as specified in 7 CFR part 1970 (link here: <https://go.usa.gov/xFW9M>).

Applicants may request funding under this category to refinance short-term debt incurred during the pre-award period for COVID-19-related expenses.

Ineligible Use of Funds

Grant funds **must not** be used for the following purposes:

- a. Expenses or losses 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. Refinance may be eligible for **Track One: Recovery** applicants for short-term debt incurred for an eligible purpose
- g. With an exception for eligible pre-award costs for **Track One: Recovery** applicants, grant funds must not be used to pay obligations incurred before the beginning date or after the ending date of the grant agreement
- h. Any purpose prohibited in 2 CFR part 200 (link here: <https://ecfr.io/Title-2/Part-200>) or 2 CFR part 400 (link here: <https://ecfr.io/Title-2/Part-400>)

Step 3: Application Submission

Track One: Recovery applicants must submit complete application packages to the USDA Rural Development state office in the state in which the applicant's project is located. For project activities located in more than one state, the applicant's headquarters location determines the applicable USDA Rural Development state office. Rural Development state office contact information is available at <https://www.rd.usda.gov/about-rd/state-offices>.

The USDA Rural Development state office will conduct an initial review, rating, and selection of complete applications received by October 12, 2021, according to the selection criteria in the *Federal Register* notice (link available at: <https://rd.usda.gov/erhc>). Applicants may continue to submit applications after October 12, 2021 as long as funding is available. Subsequent application reviews, rankings, and selections will occur for all complete applications until funding has been exhausted.

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. Incomplete applications will compete for any remaining funding once the applicant submits a complete application.

To apply for a **Track One: Recovery Grant**, provide the following information:

- A summary page, double-spaced between items, listing the following (this information should not be presented in narrative form):
 - ♦ Specify funding track requested: **Track One: Recovery 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/xFWza>
 - SF-424A "Budget Information – Non-Construction Programs," available at this link: <https://go.usa.gov/xFWz3>
- or-

- 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)

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 or project 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 their associated population demographics
 - ◆ Description of the service area, including the 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 Use of Funds category, with a description of how the figure was calculated
 - ◆ A breakdown of project costs demonstrating the percentage of total eligible 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 November 1, 2021, and is expected to end no later than 36 months following that date.

Eligible pre-award costs may be requested for costs incurred between March 13, 2020 and the project start date

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

- Environmental information necessary to support Rural Development’s environmental finding

Typically, projects that do not involve construction or renovation are classified as Categorical Exclusions and will 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 matching funds or cost share sources in accordance with the NOFA and "Step 1: Eligibility Determination, Grant Amount and Cost Sharing" section of this document
NOTE: If seeking funds for lost revenue or staffing associated with COVID-19 testing or vaccines, the applicant's required matching funds or cost share can be the applicable percentage of lost revenue and actual staffing expenses.
- Three years of the most recent audits or financial statements, including a current balance sheet and income and expense statement
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 includes:
 - ◆ A description of how the assistance requested will broaden access to COVID-19 testing and vaccines, health care services, and food bank or food distribution assistance in rural communities
 - ◆ If requesting funds for lost health care revenue or for staffing needs associated with COVID-19 testing or vaccines, a CPA-issued certification in accordance with requirements specified in the NOFA and further explained in this application guide
- Applicants must 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 applying.
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 One: Recovery** funding will be processed by USDA Rural Development state offices using these steps:

1. Eligibility Review:
 - ◆ Type of applicant entity
 - ◆ Project location and service area eligibility
 - ◆ Grant amount and cost sharing
 - ◆ Use of funds
2. Completeness Review:
 - ◆ Ensuring all required information (as identified in the NOFA and the Application Checklist) is included in application package
3. Rating, Ranking, and Selections:
 - ◆ 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)
 - ◆ For applications exceeding \$250,000, Rural Development will review and consider any information about the applicant in the Federal Awardee Performance and Integrity Information System (FAPIIS)

Step 5: Grant Obligation and Reporting Requirements

Grant Obligation

Each USDA Rural Development state office 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.

As USDA Rural Development state offices utilize their full allotment of funding available under this program, applicants will compete for funding held in the national office reserve.

Applicants selected for funding will be provided a Letter of Conditions and will do the following:

1. Upon acceptance of the conditions, the applicant will sign and return to the processing office Forms RD 1942-46, "Letter of Intent to Meet Conditions," available at this link: <https://go.usa.gov/xFKga>, along with RD 1940-1, "Request for Obligation of Funds."
2. The grant is 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 will sign an agency-approved grant agreement.
4. Applicants will 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" (link here: <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 Requirements" (available at this link: <https://go.usa.gov/xFKgb>). Rural Development normally disburses funds on a reimbursement basis. If selected for funding, you must provide proper documentation before grant funds are disbursed.

Specific documentation requirements may differ depending on the approved project details for which you are receiving the grant. Specific documentation requirements may differ depending on the approved project 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. Form RD 1924-18, "Partial Pay Estimate" (as applicable for construction related projects), available at this link: <https://go.usa.gov/xFKga>
3. If approved for lost revenue or staffing expenses associated with COVID-19 testing or vaccine distributions, CPA certification documenting the associated costs (provided within the application documents)
4. 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>
5. Appropriate documentation to justify the amount requested, such as receipts, invoices, payroll records, CPA certifications, or other documentation

Construction Requirements

For projects involving construction, applicants selected for funding must submit 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>).

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, "Federal Financial 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. Performance Progress Report. A progress 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 (available at this link: <https://ecfr.io/Title-2/Part-400>).

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, the 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 require 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):

This example is provided for informational purposes only. The Rural Development state office in the state in which the project is located will determine the maximum percentage of grant for which the project is eligible.

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.

Rural Development relies on the 2006-2010 American Community Survey dataset for MHI data, available at this link: <https://go.usa.gov/xF6wf>. To access the MHI in the past 12 months (in 2010 inflation-adjusted dollars) (Table B19013), choose “Geos,” then “County” or “Place,” and search for your community after selecting your state. This data source is provided for information purposes only.

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

Community Column A	Population (Pop.) Column B	Median Household Income (MHI) Column C	Pop. x MHI Column D
County A	35,000	\$45,000	1,575,000,000
County B	24,000	\$38,000	912,000,000
Total	59,000	N/A	2,487,000,000

- 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

Figure 2: Track One: Recovery Grant Evaluation Criteria

Evaluation Criterion	Points
<p>(a) Distressed Communities or communities below the poverty line threshold priority. Fifteen (15) points will be given for facilities located in distressed communities according to the Economic Innovation Group (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 those communities below the poverty line.</p> <p>EIG's Distressed Communities Index is a measure of community well-being using seven economic metrics. To learn more, visit https://eig.org/dci. To determine whether a facility is located in a Distressed Community, view the EIG Distressed Community Map (link here: https://ruraldevelopment.maps.arcgis.com/apps/webappviewer/index.html?id=06a26a91d074426d944d22715a90311e)</p>	15
<p>(b) Income priority. A maximum of 20 points will be given. If the median household income of the facility's service area is below the higher of the poverty line or:</p>	N/A
<p>i. 60 percent of the state nonmetropolitan median household income</p>	20
<p>ii. 70 percent of the state nonmetropolitan median household income</p>	15
<p>iii. 80 percent of the state nonmetropolitan median household income</p>	10
<p>iv. 90 percent of the state nonmetropolitan median household income</p>	5
<p>(c) Population priority. A maximum of 15 points will be given. If the facility is located in a rural community having a population, according to the most recent decennial census, of:</p>	N/A
<p>i. 5,000 or fewer</p>	15
<p>ii. 5,001 to 10,000</p>	10
<p>iii. 10,001 to 15,000</p>	5

Evaluation Criterion	Points
<p>(d) COVID-19 testing or vaccine administration. Twenty (20) points will be given to applications that directly support activities to conduct COVID-19 testing or administer COVID-19 vaccines.</p>	20
<p>(e) COVID-19 Impacts priority. Twenty (20) points will be given to applications with projects located in one of the top 10 percent of counties or county equivalents based upon county risk score in the United States.</p> <p>The risk score is calculated based on COVID-19 confirmed cases (per 10,000 population); the Distressed Communities Index (DCI); Job Loss Projections (Bureau of Labor Statistics data), and the Center for Disease Control and Prevention's (CDC) Social Vulnerability Index (SVI).</p> <p>Counties that qualify for COVID-19 impact priority points will be listed on the RD webpage at 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 high COVID-19 impact counties.</p>	20
<p>(f) Equity priority. Ten (10) points will be given to applications with projects located in a community with a score of 0.75 or above according to the CDC's Social Vulnerability Index.</p> <p>Applicants may verify whether projects qualify for these priority points through the RD webpage at https://www.rd.usda.gov/priority-points.</p> <p>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 these communities identified for priority points through the CDC's Social Vulnerability Index.</p>	10
<p>TOTAL PROJECT SCORE (Maximum Points = 100)</p>	SUM

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