

Delta Health Care Services Grant Program

Questions and Answers

Q: Why does an applicant for this grant program have to be a consortium?

A: The underlying legislation, the "Consolidated Farm and Rural Development Act," states, "the term 'eligible entity' means a consortium of regional institutions of higher education, academic health and research institutes, and economic development entities located in the Delta Region that have experience in addressing the health care issues in the region." Working from the legislation, the April 4, 2011, Notice of Funds Availability (NOFA) includes the following definition, "Consortium means a combination or group of regional institutions of higher education, academic health and research institutes, and economic development entities located in the Delta Region that have experience in addressing the health care issues in the region."

Q: How many entities must be in the consortium?

A: At least three entities that are regional institutions of higher education, academic health and research institutes, or economic development entities must be in the consortium and each of these must be located in the Delta Region and have experience in addressing the health care issues in the Delta Region.

Q: Does the consortium have to include at least one entity from each of the three categories, that is, at least one entity that is a regional institution of higher education, plus at least one entity that is an academic health and research institute, plus at least one entity that is an economic development entity?

A: An entity from each category does not need to be included in the consortium. For example, it could include two universities and one hospital, or two hospitals and an economic development organization.

Q: Can the consortium include entities that are not of the type included in the definition of consortium?

A: Yes, as long as the consortium includes at least three entities that are of the type included in the definition of consortium.

Q: What is the Delta Region?

A: The Delta Region means the 252 counties and parishes within the states of Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee that are served by the Delta Regional Authority.

Q: Does the consortium need to propose to serve the entire Delta Regional Authority area.

A: No.

Q: Can the consortium include entities that are not located in the 252 counties and parishes that are served by the Delta Regional Authority?

A: As long as a consortium has at least three entities that are regional institutions of higher education, academic health and research institutes, or economic development entities, each of which is located in the Delta Region and has experience in addressing the health care issues in the region, then the consortium can include additional entities that are not located in the Delta Region. All grant funds, however, have to be used in rural areas in the Delta Region for eligible purposes.

Q: Does the consortium have to be a legal entity?

A: No, the consortium, itself, does not have to be a legal entity. However, as stated in the NOFA, at least one member of the consortium must be legally organized as an incorporated organization, or other legal entity, and have legal authority to contract with the Government. Furthermore, at least one member of the consortium must have legal capacity and authority to carry out the purposes of the projects in its application, and to enter into contracts and to otherwise comply with applicable Federal statutes and regulations.

Q: Does each member of the consortium have to provide information in the application?

A: Yes. In order to verify that the application is from a consortium, among other requirements, the applicant must include an acknowledgement from each member of the consortium that it is a member of the consortium. This acknowledgement must be on each entity's letterhead and signed by an authorized representative of the entity.

Q: Can an applicant request grant funds for salaries and wages, administrative expenses, and recurring operating costs?

A: Yes, but the amount is restricted. It is of utmost importance to remember that the total amount for salaries and wages, administrative expenses, and recurring operating costs may not exceed 20 percent of the grant funds. Generally, these are items that will be expensed rather than capitalized (shown as assets on your balance sheet). If we have to reduce these items in the proposed grant budget, and it is unclear that the project will be sustainable without such grant funds, the proposal could be jeopardized.

Q: Does an applicant need to provide financial information on its operations?

A: An applicant must include current certified financial statements, if available; otherwise, the most current income statement and balance sheet for existing operations. An applicant also must include 3 years of pro-forma financial information (preferably for the consortium, or at a minimum for the project), including income statements, balance sheets, and cash flow statements, with a list of assumptions in support of the pro-forma information.

Q: Does an applicant need to provide a detailed budget for the proposed project?

A: Yes. In its budget, an applicant must provide a description of each item, the number of units, unit cost, grant funds requested, any other funds to be applied to the project, and the total. An applicant must provide the purpose of the item and the physical location where the item or service will be placed. Budget items should not be bundled. Undocumented items cannot be evaluated as to eligibility and could result in the item being deemed

ineligible. The budget amounts must agree with the amounts on the Standard Form 424, "Application for Federal Assistance," and those amounts cited anywhere else in the application.

Q: Any other things an applicant should be sure to do?

A: Each location where facilities or services will be provided must be consistent throughout the application including on the Rurality Worksheet, the Project Abstract, the Executive Summary, the Scope of Work, and the Budget. If the locations are not consistent, an application is unscorable and will be ineligible.

Also, an applicant should be sure to complete and sign the Standard Form 424 "Application for Federal Assistance" and all other required certifications.

Q: Where can I find more information about how to apply?

A: Before applying, be sure to read and carefully follow the directions in the July 12, 2011, NOFA, the Delta Health Care Services Grant Program Application Guide, and other information on our website dedicated to the Delta Health Care Services Grant Program (http://www.rurdev.usda.gov/UTP_DeltaHealthcare.html).

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