

FY 2020 CARES Supplemental Funding Guidance
Coronavirus SHIP: Budget and Financial Management Technical Assistance Webinar
Post Webinar FAQs

Key Terms

Recipients: a non-Federal entity that provides a subaward to a subrecipients to carry out part of a Federal program.

Subrecipients: a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program;

- Does not include an individual that is a beneficiary of such program.
- May also be a recipient of other Federal awards directly from a Federal awarding agency.

For this award, **recipients** are the State Office of Rural Health (SORHs) receiving funds from HRSA and disbursing subrecipients (**hospitals**) to prevent, prepare for, and respond to the coronavirus-related activities.

Equipment: a tangible personal property (including information technology systems)

- useful life of more than one year
- per-unit acquisition cost of at least \$5,000
- moveable equipment only

Equipment MUST be:

- Procured through a competitive process
 - While M-20-11 is in effect, you may request HRSA to waive procurement requirements regarding geographical preferences, and contracting small and minority businesses, women's business enterprises, and labor surplus area firms.
- Maintained, tracked, and disposed of per 45 CFR 75.

Note the HRSA Fixed versus Movable Equipment: Fixed equipment is attached or fastened to a building. Examples of fixed equipment are: fume hoods, counters, carpeting, dishwashers, building renovations, and security systems. Movable equipment can be moved. Examples are: computers, freezers, vehicles, centrifuges, rotors, autoclaves, cages, and modular workstations- [\(45 CFR Part 75.320\)](#)

Costs

- An **allowable** cost is one that we allow. It complies with the terms, conditions, and approved activities of the grant, as well as [Cost Principles](#).
- An **allocable** cost can apply to multiple activities. It provides a direct benefit to award objectives. *Example:* rent or utilities.
- A **reasonable** cost is necessary and appropriate for the activity.

FAQs

Access

How do I access my H3J grant folder on EBH?

The project director needs to add the grant to the HRSA EHBs Portfolio (See [video tutorial](#)). If you are still having issues, reach out to the EHB Help Desk-<https://www.hrsa.gov/about/contact/ehbhelp.aspx>.

Allowable and Indirect Costs

Can these funds be used to cover project management costs outside of indirect cost?

No other costs are allowable outside of Indirect, which may not exceed the legislative 15% cap.

Is it allowable to disburse 100% of the funds to the hospitals without charging indirect costs?

Yes, Recipients (SORHs) may forgo or reduce the amount of indirect claimed at their discretion.

Can a hospital use funds for salaries around COVID-19 emergency strategic planning?

Yes, salaries and wages are allowable if staffing is specific to COVID-19 and not charged to another federal award. (The funding through this award should be used to complement, not duplicate or supplant, other funds received through existing payment or other CARES Act programs supporting hospitals).

Can SHIP COVID-19 funds be used for hospital salaries and wages?" For example, if a hospital wants to use funds to pay staff, does that have to be for specific staff or can they report it as a staff budget line item, since they've had a financial loss in that area of the budget as well?

Yes, salaries and wages are allowable if staffing is specific to COVID-19 and not charged to another federal award. The funding through this award should be used to complement, not duplicate or supplant, other funds received through existing payment or other CARES Act programs supporting hospitals.

Separate from the COVID SHIP funding, organizations may be eligible to be reimbursed or compensated for lost revenues through other federal or state programs, including but not limited to the Small Business Administration's Paycheck Protection Program and HHS's \$100 billion CARES Act Provider Relief Fund.

Is Hazard Pay an allowable cost? For example, a hospital paid a one-time payment (\$250) to each employee for working during this coronavirus crisis.

Yes, Hazard pay is allowable on the COVID-19 grant. Hospitals must keep strict accounting records to document Hazard Pay. "Personnel who will be paid with grant funding must receive salary and benefits consistent with the hospital's policies for paying salaries under unexpected or extraordinary circumstances from all funding sources, federal and non-federal". For additional information, see <https://bphc.hrsa.gov/program-opportunities/coronavirus-disease-2019/faq>.

If you do not have such policies in place, you should immediately develop and officially adopt them. This is allowed through the OMB flexibilities listed in memoranda M-20-11 (PDF - 1.3 MB) and M-20-17 (PDF - 5.4 MB). You must document that you are following your organizational policy for charging salaries during unexpected and extraordinary circumstances. You should also document that you are following HRSA guidance as adopted and permitted by the OMB memoranda.

Recipients (and sub recipients) must maintain appropriate records and cost documentation as required by 45 CFR § 75.302 - Financial management and standards for financial management systems and 45 CFR § 75.361 - Retention requirement for records to substantiate the charging of any salaries and other project activity costs.

If a hospital receives funds for the PPP for an eight-week period, can the hospital use SHIP COVID funds for personnel salaries after that period of time?

Yes, salaries for personnel working directly on COVID-19 activities will be covered at the end of the Paycheck Protection Program entitlements. Hospitals may use grant funds or non-grant funds to continue to pay staff as a means of maintaining capacity during the COVID-19 public health emergency and to help ensure readiness to address the full range of comprehensive primary health care needs,

including pent up demand, as the emergency abates. This includes the use of funds for obligations incurred during the course of the emergency, since January 20, 2020, either for current payment or reimbursement of incurred costs, including staff salaries". For additional information, see <https://bphc.hrsa.gov/program-opportunities/coronavirus-disease-2019/faq>.

Can the hospitals fund a salary with 50 percent of one grant and 50 percent of COVID-19 SHIP?

Yes, salaries specific to COVID-19 response may be split between two grant programs, provided that funding is used to complement, not duplicate or supplant, other funds received through existing payment or other CARES Act programs supporting hospitals. Salaries must not exceed 1.0 FTE and at least 50% of funds must be spent on COVID response.

What about the Advanced Payment and Accelerated programs? For example, if a hospital is borrowing from CMS based on their past Medicare revenues are to pay those dollars back?

Not allowable, hospitals MAY NOT use grant funds for costs that are reimbursed or compensated by other federal or state programs that provide for such benefits. Grantees CANNOT use SHIP funding to take the place of other funding sources (supplant) or take the place of other funding sources (duplicate). For example, funding from the Small Business Administration's Paycheck Protection Program, \$100 billion in the Public Health and Social Services Emergency Fund, or unemployment compensation.

Can these funds be used to make a purchase that is split with another grant? For example, a hospital purchases \$100,000 worth of PPE in preparation or response to COVID-19, can the funds be used to pay a portion of that invoice with the remainder paid by a separate grant?

Yes, this is considered cost sharing and is permissible. However, recipients must document the methodology for determining what percentage of the expenditures are being charged to each grant. Per 45 CFR § 75.403(d), for costs to be allowable under a federal awards costs but be accorded consistent treatment. Recipients (and sub recipients) must maintain appropriate records and cost documentation as required by 45 CFR § 75.302

Can a hospital use funds to replace an electrical panel if this replacement is necessary to accommodate the use of equipment that is needed for COVID-19 response and general hospital operations?

Normally these expenses would be part of the general office maintenance and not allowable. However, if these replacements are essential and related to COVID-19 response, then it is allowable.

Is renovating interior floor plan and/or purchase equipment to maximize the use of telehealth allowable?

Yes, as long as the renovation and the equipment purchases are essential and related to COVID-19 preparation, response, and maintenance. Please note that renovation costs cannot exceed 10% of the total award cost.

Can a hospital use Coronavirus SHIP funding to update computer operating systems to Windows 10, and also update the wireless system?

Yes, if the funds will provide support to hospitals to prevent, prepare for, and respond to the coronavirus (COVID-19) public health emergency. There are a few items under the **Response and Maintaining Hospital Operations** categories in the [FORHP COVID SHIP Example Uses of Funding that](#)

[address](#) these needs. Remember, all purchases must be consistent with CDC guidance for healthcare professionals and federal, state, territorial, and local public health recommendations.

Disbursing Funds

What should the recipient do if an eligible hospital refuses COVID-19 funding?

If a hospital declines all or part of the funding, the funds have to be sent back to HRSA. Contact your project officer immediately for details.

Are costs incurred prior to receiving the grant award allowable?

Yes, HRSA authorizes the recipient, on behalf of the subrecipients, to incur pre-award costs prior to the effective date of a Federal award dating back to January 20, 2020. These costs CANNOT be costs already supported by other sources of federal funding.

Can a hospital purchase something now, knowing the funding is coming? Do you have any rules on that? Would purchases have to be made after the date of the award?

Yes. **Hospitals** may, at their own risk, allocate CARES funding to COVID-19 related costs retroactive to January 20, 2020. Recipients (and subrecipients) must maintain appropriate records and cost documentation as required by 45 CFR § 75.302 - Financial management and standards for financial management systems.

Do SORHs have to give all the money upfront to the hospitals, or can we parse it out, some upfront, the remaining requiring some reporting being submitted before they receive the rest?

This depends on the state's policy. We know state processes vary, so there is no requirement for a timeline, but encourage states to work within their processes to get these funds as quickly as possible to hospitals. In an effort to address the pandemic the Office of Management and Budget released guidance that has allowed great flexibility in how the dollars were to be released and administered. In this case, there were just instructions and a set of reporting requirements to establish how the dollars were going to be spent and to report those plans to HRSA and OMB. Those requirements are 30 days and quarterly respectively. By providing instructions and reporting requirements, the expectation was to aid in getting dollars as quickly as possible to those in need. In this case, the small rural hospitals have been impacted in patient volume and loss of revenue, and lack of resources to combat COVID-19. Congressional intent has been to support these hospitals in the most expedient manner possible. Please refer to your NoA, Program Specific Term(s) and note the following:

Funds associated with this award are intended for expedient distribution to the Small Rural Hospital Improvement Program (SHIP) eligible hospitals. Indirect costs may be claimed not to exceed the legislative 15% cap. Award recipients may forgo or reduce the amount of indirect cost at their discretion.

What relief is being offered under OMB-20-17?

[OMB Memo M-20-17](#) authorizes various flexibilities. Please refer to the memo for additional information. One flexibility includes awarding agencies to allow grantees to delay submission of financial, performance and other reports up to three months beyond the normal due date. Request an

extension through HRSA's Electronic Handbook--how to request an extension. Contact your Grants Management Specialist with questions.

We understand that grantees will continue to draw down federal funds without the timely submission of these reports. However, you must submit these reports at the end of the postponed period.

Can FORHP release further guidance: relative to the requirement to secure bids? Given the urgency to secure equipment and/or lack of vendors it would be helpful to understand audit requirements. It is helpful to clarify the documentations required to demonstrate their attempts?

The intent of this SHIP COVID funding is to give hospitals additional resources during this public health emergency, the hospital should attempt to find the best prices and timeframes to meet their needs. This requirement does not need to be a formal bidding process, but could be calls to vendors or internet searches, aligned with a hospital's standard business practices. This should be a good faith effort.

Documentation and FFATA

Do sub-recipients have to show the recipients proof of purchase? Does the SORH keep internal records and what documentation should the hospitals maintain for this award?

Recipients are expected to gather information from hospitals in the form of a quarterly report, where the hospital will provide information on what categories they spend SHIP COVID dollars and the amount. Subrecipients (hospitals) must maintain appropriate records and cost documentation as required by 45 CFR § 75.302 - Financial management and standards for financial management systems and 45 CFR § 75.361 - Retention requirement for records to substantiate the charging of any salaries and other project activities costs related to the interruption of operations or services. Supporting documentation includes (but is not limited to):

- Invoices (vendor, date and amount paid);
- Receipts (confirmation of payment);
- Purchase dates should fall within the grant period
- Copies of cancelled checks that show the amount actually paid;
- Connection to the grant (cost center, fund type code, budget) – in general ledger;
- Sub-recipient agreements or contracts (signed and dated);
- Detailed travel logs.

Recipients can identify which supporting documentation is relevant to the category of spending.

What is the Federal Funding Accountability and Transparency Act of 2006 (FFATA) and what do I need to submit?

The Federal Funding Accountability and Transparency Act (FFATA) of 2006 (Public Law 109-282) requires for each Federal award of \$25,000 or more that OMB create a Searchable, no-cost, publicly accessible website (www.usaspending.gov) that include basic information about the recipient and the project being funded.

FFATA was amended by the Government Funding Transparency Act of 2008 (Public Law 110-252) requiring recipients to report certain information about themselves and their first-tier subrecipients for awards obligated as of October 1, 2010. Additional information is available at <https://www.hrsa.gov/grants/ffata.html>. Please direct any additional "Transparency Act" / FFATA questions to the HRSA Post Awards mailbox, at hrsapostawards@hrsa.gov
Where to report?

- The FFATA Subaward Reporting System www.fsr.gov is the reporting tool Federal prime awardees and prime grants recipients use to capture and report subaward data regarding their first-tier subawards to meet the FFATA reporting requirements.

When to report?

- By the end of the month following the month in which the pass-through entity awards any subaward greater than or equal to \$25,000. (For example, if the obligation was made on May 4, 2020, the obligation must be reported by no later than June 30, 2020)
 - Subaward information must be submitted on a rolling basis by the end of the month following the month in which the obligation was made.

What do I need to report?

- Subawardee DUNS Number
- Subawardee Name (will prepopulate after DUNS number is entered)
- Subawardee Address (will prepopulate after DUNS number is entered)
- Amount of Subaward
- Subaward Obligation/Action Date
- CFDA program number for grants
- Funding Agency ID and Name
- Subaward Project Description (IMPORTANT: please provide enough information to give the public a good idea of the purpose and intended outcomes of the subaward)
- Subawardee Principal Place of Performance (including congressional district)
- Subaward Number (Unique identifier of the entity)

FFATA would only apply to sub-recipient if they passed through over \$25,000, correct?

Yes, FFATA requires recipients of non-Recovery Act funded grants and cooperative agreements to report on sub-awards of \$25,000 or more. Learn about [FFATA implementation requirements](#).

We have not encountered the FFATA before, will all hospitals be required to go in with updated SAMs accounts?

The **recipient** is required to maintain an active [SAM](#) registration. Hospitals, as subrecipients, are *not* required to submit FFATA reporting. Hospitals are required to register for a Dun & Bradstreet's Data Universal Numbering System (D-U-N), visit [D&B DUNS Numbers for U.S. Government Contractors and Grantees](#).

- Select the physical location--country or territory--of your organization.
- Complete and submit the form. Hospitals will need basic information about your organization, including:
 - Physical and mailing addresses
 - Name and title of the chief executive
 - [Primary Standard Industrial Code](#) (SIC)
 - Whether or not it is minority-, woman- or veteran-owned
 - Number of employees
 - Annual revenue
- Hospitals can expect an email with your DUNS number the same day.

Additional information is available at <https://www.hrsa.gov/grants/ffata.html> Please direct any additional "Transparency Act" / FFATA questions to the HRSA Post Awards mailbox, at hrsapostawards@hrsa.gov.

If the funding is dispersed through a sub-recipient such as a contractor and then sent to the hospitals, is FFATA still required per hospital or only the subrecipient?

Recipients need to determine if the contractor in question is a subrecipient (per 45 CFR 75.352) or a contractor. If the third-party (contractor, hospital network/consortium) is simply assisting the grant recipient with disbursing the funds to the individual hospitals, then they are likely a contractor and not a subrecipient. In this case, the individual hospitals should be considered the subrecipients because they are the ones carrying out a portion of the grant project.

As required by the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109–282), as amended by section 6202 of Public Law 110–252, recipients of the funding must report information for each subaward of \$25,000 or more in Federal funds and executive total compensation, as outlined in Appendix A to 2 CFR Part 170.

A subaward is an award provided by a pass-through entity to a subrecipient (hospital) for the subrecipient to carry out part of a Federal award.

Reporting Requirement

Where is the link for SF-424A and how should recipients (states) submit this information on EHB?

The [SF424-A Budget Form](#) (PDF - 1.48 MB) can be downloaded here:

<https://apply07.grants.gov/apply/forms/sample/SF424A-V1.0.pdf>

Upload a completed SF-424A as a PDF attachment on EHB.

What are the reporting requirements for recipients (States) vs. subrecipients (hospitals)?

Recipients (States/SORHS) will submit the following to HRSA (*see table below for details and corresponding templates*)

- COVID-19 Response Workplan and Overview
- COVID-19 Response Budget and Budget Justification
- Quarterly Progress Reports
- Federal Financial Report (FFR)
- Federal Funding Accountability and Transparency Act of 2006 (FFATA)

Subrecipients (Hospitals) - Not required to submit information to HRSA; however, they must maintain appropriate records and cost documentation to comply, which include:

- as required by 45 CFR § 75.302- Financial management as required by 45 CFR § 75.302
- Standards for financial management systems and 45 CFR § 75.361.
- Retention requirement for records to substantiate the charging of any salaries and other project activities costs related to the interruption of operations or services.

To access the [45 Code of Federal Regulations Part 75](#) visit: <https://www.ecfr.gov/cgi-bin/text-idx?node=pt45.1.75>

States must monitor each subrecipient's activities to ensure that the subaward is used for authorized purposes, in compliance with federal requirements, and that subaward performance goals are achieved.

NOTE: Most state's financial departments have a process and policy to monitor subrecipient's activities to help meet HRSA's compliance standards. The documentation required by HRSA are submitted to the recipients (states) to track fund disbursements and respond to HRSA Quarterly Progress Report. For COVID-SHIP documentation requirements, states only need to demonstrate the hospitals are utilizing the funds in compliance with the program's intent and allowable use of funds.

Are hospitals required to submit quarterly reports and invoices?

Hospitals are not required to submit progress reports or invoices to HRSA, but are required to provide invoices and other supporting docs to the SORH. See Documentation section above for details .

If all hospitals in our state spend their funds in the first few months, are quarterly reports needed until the end of the grant cycle or only until grant funds are spent by all hospitals?

Yes, the recipients are still required to submit Quarterly Progress Reports until the end of the grant period. The reports include questions such as counts training and hospital services provided as a result of the funding. The recipients may submit a shorten version of the report and not respond to items (e.g., status of funds) that are no longer relevant.

What are the reporting requirements for recipients and do you have a template to use for submissions?

Report	Submitted to	Due Date	Description and Templates (if applicable)
COVID-19 Response Workplan and Overview	EHB	May 22, 2020 30 Days after the Award Date	<p>Submit a work plan providing detailed information on the timeframe to get money to the hospitals and a list of all the hospitals receiving funding in your state to detect, prevent, diagnose, and treat COVID-19. The following information requested: list of all the hospitals receiving funding, amount of funding per hospital, and anticipated timeframe and process to disburse funds per hospital.</p> <p><u>Submission Instructions</u> The required template with instructions for this reporting requirement is FY 2020 COVID SHIP Workplan Overview Spreadsheet Template (Excel) File which is available on the posted on the SHIP-TA Website for COVID SHIP Resources</p> <ul style="list-style-type: none"> • TAB 1: FY2020 COVID SHIP Instructions • TAB 2: FY 2020 SHIP COVID Hospitals • TAB 3: Comment (if applicable or needed) <p>Upload a completed FY 2020 COVID SHIP Workplan Overview Spreadsheet Template as an Excel File on EHB.</p>
COVID-19 Response Budget and Budget Justification	EHB	May 22, 2020 30 Days after the Award Date	<p>The award recipient must submit a 424A budget form and a budget justification capturing all expenses, including costs for administration at the state level and the award amount per hospital, and subsequent reasons for the expenses in a narrative format.</p> <p><u>Submission Instructions</u> Upload two attachments on EBH:</p> <ul style="list-style-type: none"> • SF424-A Budget Form (PDF - 1.51 KB): Complete the form capturing all expenses, including costs for administration at the <i>state</i> level • To download the SF424-A document click the link above – the document will automatically download to your computer. Please open the document in Adobe Acrobat. • Narrative: Line item budget breakdown and include the award amount per hospital, and subsequent reasons for the expenses in narrative or table format <p><u>Resources</u> SF-424A Form: https://www.ruralcenter.org/sites/default/files/SF424A-Fillable%20Form.pdf</p>

			The SF-424 Application Guide: https://www.hrsa.gov/sites/default/files/hrsa/grants/apply/applicationguide/sf-424-app-guide.pdf
Quarterly Progress Reports	EHB	July 30, 2020 October 30, 2020 January 30, 2021 April 30, 2021 July 30, 2021 October 30, 2021	The award recipient must provide quarterly progress reports to HRSA with 30 days of the end of the federal fiscal quarters. Reports should include: status on funds, description of activities per hospital, and progress on timeline. A template will be posted on the SHIP-TA Website for COVID SHIP Resources by Mid- May Note-Questions will include (but not limited to): <ul style="list-style-type: none"> • Status of funds-update of spending per hospital and administrative cost • Description of activities per hospital and (if applicable) the following <ul style="list-style-type: none"> • Equipment purchases by hospitals- name, unit price, and amount • Training and hospital services provided • Number of testing conducted • Progress on timeline
Federal Financial Report (FFR)	EHB	January 30, 2022 Quarter End Date after 90 Days of Budget End Date	The grantee must submit a Federal Financial Report (FFR). The report should reflect cumulative reporting within the project period and must be submitted using the Electronic Handbooks (EHBs). The FFR due dates have been aligned with the Payment Management System quarterly report due dates. No template provided; EHB has the form
Federal Funding Accountability and Transparency Act of 2006 (FFATA)	FSRS	By the end of the month following the month in which the pass-through entity awards any subaward greater than or equal to \$25,000	Report basic the items below on first-tier subawards of \$25,000 or more reflecting HRSA federal funds. <ul style="list-style-type: none"> • Subawardee DUNS Number • Amount of Subaward • Subaward Obligation/Action Date https://www.hrsa.gov/grants/ffata.html

Resources

45 Code of Federal Regulations Part 75

<https://www.ecfr.gov/cgi-bin/text-idx?node=pt45.1.75>

HRSA Manage Your Grant

<https://www.hrsa.gov/grants/manage/index.html>

FFATA Subaward Reporting System (FSRS)

<https://www.fsr.gov/>

<https://www.hrsa.gov/grants/ffata.html>

Coronavirus Disease 2019 (COVID-19) Frequently Asked Questions

<https://www.hrsa.gov/grants/manage-your-grant/COVID-19-frequently-asked-questions>

SHIP TA – COVID SHIP Resources

<https://www.ruralcenter.org/ship/cares-act>

Information available for rural health care providers? (Updated: 3/27/2020)

- As part of their ongoing health education services, FORHP-supported providers can and should raise awareness of COVID-19 preventive measures among their patients and community. Information about COVID-19 symptoms, prevention, and treatment is [available from the CDC](#), including materials in Chinese and Spanish.
- The Substance Abuse and Mental Health Services Administration (SAMHSA) provides a [list of help lines, websites, and virtual meeting options to support substance use treatment](#) (PDF - 245 KB), as well as [resources and information for mental health response to COVID-19](#).
- The National Highway Traffic Safety Administration has a website with [COVID-19 resources for Emergency Medical Services \(EMS\) personnel](#). Separately, the Interstate Commission for EMS Personnel Practice [updated the Interstate Licensing Compact](#) to allow EMS operations to cross state borders in response to the crisis.