Coronavirus Capital Projects Fund

Frequently Asked Questions

AS OF NOVEMBER 10, 2021

This document contains answers to frequently asked questions (FAQ) regarding the Coronavirus Capital Projects Fund (CPF), established by Section 604 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021. This FAQ document clarifies CPF guidance for States (defined to include the District of Columbia and Puerto Rico), territories, freely associated states, and Tribal governments, and does not supersede CPF guidance.

Treasury will be updating this document periodically in response to questions received from stakeholders; changes will be clearly marked. Recipients and stakeholders should consult Treasury's CPF Guidance for States, territories, and freely associated states and CPF Guidance for Tribal governments for additional information.

- For overall information about the program, including information on requesting funding, please see https://treasury.gov/CPF

- For general questions about CPF, please email CapitalProjectsFund@treasury.gov

1.   Eligibility and Allocations

1.1.   Which governments are directly eligible for funds?

The following governments are eligible to apply for CPF grants:
- The 50 states, the District of Columbia, and Puerto Rico (the States)
- Tribal governments and the State of Hawaii (for Native Hawaiian Programs)
- The United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau

1.2.   Are cities and counties eligible to apply for CPF grant funds?

No. The Capital Projects Fund makes grant funds available to States (defined to include the District of Columbia and Puerto Rico), territories, freely associated states, and Tribal governments. While cities and counties are not directly eligible recipients, Treasury encourages direct recipients of CPF grants to engage with communities when planning for the use of grant funds.

1.3.   Are libraries and other community centers eligible to apply for CPF grant funds?

No. The Capital Projects Fund makes funds available to States, territories, freely associated states, and Tribal governments. While libraries and other community centers

are not eligible to apply, Treasury encourages direct recipients of CPF grants to engage with communities when planning for the use of grant funds.

1.4.   What is the grant period of performance?

A recipient may use CPF grant funds to cover costs incurred <u>beginning March 15, 2021 and ending December 31, 2026</u>.

For pre-award costs incurred after March 15, 2021, but prior to execution of the grant agreement, recipients are required to provide reasonable assurance that the costs were incurred pursuant to the negotiation of and in anticipation of the CPF grant award and are necessary for the efficient and timely performance of the program.

1.5.   When will CPF recipients receive grant awards?

Treasury will make CPF grant funds available to States, territories, and freely associated states <u>once the grant agreement is provided *and* a grant plan (containing at least one program plan) is reviewed and approved by Treasury</u>. Only one grant agreement must be executed per State, territory, and freely associated state. For States, territories, and freely associated states, funds will be released to the recipient on an advance basis as requested by recipients, rather than as a single lump sum for the total amount allocated to the State, territory, or freely associated state at the time of approval.

Treasury will make requested Capital Projects Fund administrative funds (up to 5% of total allocated funds, as indicated by the recipient in the application) available to States, territories, and freely associated states once the grant agreement is executed. Additional funds will be made available for project costs as related project plans are approved.

Tribal governments will receive CPF funds <u>once an application is reviewed and grant agreement is executed</u>.

2. Applications, Grant Plans, and Project Plans

2.1.   What is the deadline to apply for CPF grants?

States, territories, and freely associated states must submit applications by December 27, 2021 to receive funding under the Capital Projects Fund. These entities must also submit grant plans and program plans by September 24, 2022.

Tribal governments must submit applications by June 1, 2022 to receive funding. Tribal governments do not need to submit a separate grant plan.

2.2. Will Treasury review CPF applications on a rolling basis?

Yes. Treasury will review applications upon submission and make CPF grant funds available upon approval.

2.3. What is the deadline for recipients to submit a grant plan?

States, territories, and freely associated states must submit grant plans, including one or more program plans, by September 24, 2022.

Tribal applicants do not need to submit a separate grant plan.

2.4. When must CPF grant funds be expended?

All funds must be expended by December 31, 2026, which is the end of the period of performance. Recipients must return to Treasury any grant funds that are not used by the end of the period of performance on December 31, 2026. Treasury may, in its sole discretion, grant extensions to the period of performance upon request from recipients.

2.5. For State, territory, and freely associated state applicants, what is an "Authorized Representative"?

An Authorized Representative is an individual who will sign the CPF application, necessary certifications, and the grant agreement on behalf of the eligible applicant. For States, territories, and freely associated states, the Authorized Representative will be one of the following:

- An individual who is duly authorized by law (such as the Governor). In some cases, Treasury may request documentation confirming the status of the duly authorized individual.

- An individual who has been granted authority to act on behalf of the eligible applicant by someone who is duly authorized to delegate such authority. A designation letter showing the delegation of authority must be provided to Treasury. The letter must provide the Authorized Representative authority to act on behalf of the eligible applicant to apply for and execute a CPF grant, and to enter into agreements on behalf of the eligible applicant. The designation letter must be signed by a person who is duly authorized by virtue of their position (such as the Governor) to delegate such authority.

2.6. Can eligible CPF grant recipients modify a submitted grant plan?

Recipients may submit or modify grant plans prior to the deadline. Updates to grant plans will be subject to review and approval by Treasury.

2.7. Can the grant plan be submitted at the same time as the application (i.e., before the grant agreement is executed)?

Treasury will not review a grant plan until an eligible State, territory, or freely associated state application has been approved. An eligible State, territory, or freely associated state may submit a grant plan prior to executing the grant agreement, but no funds other than the administrative funds will be available to the recipient until the grant agreement has been executed and the grant plan approved. Funds for project costs will be made available as related project plans are approved.

For Tribal governments, the initial application for the CPF grant will also serve as the grant plan. After approval of the Tribal application, funds will be made to the Tribal government.

2.8. What should State, territory, and freely associated state recipients include in a program plan?

Program plans can be a framework for how the State, territory, or freely associated state will utilize CPF funds. A program plan may propose funding for multiple, individually related projects or subgrants that all serve a common objective (e.g., broadband infrastructure). In the program plan, recipients are not expected to submit information about each individual project or subgrant, however project level data will be gathered during the reporting phase.

Additional information regarding CPF grant and program plans will be made available in the coming weeks. Future updates will be posted on the CPF landing page: https://treasury.gov/CPF.

3. Tribal Governments

3.1. How has Treasury determined the amount each Tribal government will receive in CPF grant funding?

Each Tribal government and the State of Hawaii (for Native Hawaiian Programs) are allocated an equal amount of approximately $167,504 in line with the statutory text, which requires Treasury to allocate funds to these governments in "equal shares."

3.2. Can a Tribal government apply for CPF grants through another Tribal government or consortium?

Yes. Tribal governments may apply on behalf of other Tribal governments, and Tribal consortiums and similar joint Tribal organizations may also apply on behalf of multiple Tribes. If any entity (a different Tribal government, a consortium, etc.) is applying on behalf of an eligible applicant, the eligible applicant must grant the other entity the

authority to apply and enter into agreements on their behalf. A designation letter must be submitted to show that the eligible applicant has authorized this other entity.

3.3.   Do Tribal governments need to submit a grant plan?

The application for the Capital Projects Fund will also serve as the grant plan for Tribal governments. Tribal governments do not need to submit separate grant plans.

3.4.   Can a State award CPF grant funding to a Tribal government as a subrecipient?

Yes. A State may award CPF grants to subrecipients. Subrecipients may include other levels or units of government, nonprofits, private entities, or Tribal governments.

Tribal governments are also eligible to apply for CPF grants directly, as each Tribal government and the State of Hawaii (for Native Hawaiian Programs) are allocated an equal amount of approximately $167,504 in line with Section 604 of the American Rescue Plan Act of 2021.

4.   Eligible Uses - General

4.1.   Can recipients use funds for administrative purposes?

Yes. Recipients may use funds for program administrative costs. This amount may not generally exceed five percent of the total requested grant amount, or $25,000, whichever is greater. Recipients may request a higher limit on program administrative costs by providing to Treasury, for its consideration, the rationale for the use of additional funds for administrative purposes.

4.2.   Can direct recipients of CPF grants award funds to subrecipients in the form of subgrants?

Capital Projects Fund recipients may award funds in the form of subgrants to subrecipients, such as other levels or units of government (e.g., municipalities, counties), non-profits, private entities, or Tribal governments. Recipients are responsible for ensuring that subrecipients comply with the statutory and regulatory requirements and the terms and conditions established by Treasury's CPF guidance.

4.3.   Do subrecipients of CPF funds have to comply with CPF guidance?

Yes. Subrecipients receive a subaward from a recipient to carry out a Capital Project on behalf of the recipient with their federal award funding and must comply with CPF guidance. Additionally, direct recipients of CPF grants are responsible for ensuring that subrecipients comply with the statutory and regulatory requirements and the terms and conditions established by Treasury's CPF guidance.

4.4. **Can a CPF grant recipient allocate its entire allocation to a single program and award subgrants to subrecipients?**

Yes. A recipient may use the allocated funding for a single eligible program that awards subgrants to subrecipients.

4.5. **Can funds be used to pay staff salaries and benefits?**

Salaries and benefits may qualify as program administrative costs or project costs, depending on the work being performed. Personnel costs required for administering CPF awards, including salaries and benefits to staff and consultants, are an allowable use of funds under the program administrative cost category (e.g., program directors, subject matter experts, equity consultants, grant administrators, financial analysts, accountants, and attorneys). Personnel costs required for carrying out a Capital Project are also allowable use of funds under the project cost category (e.g., project managers, construction labor, architects, environmental engineers, network engineers).

However, CPF grant funds may <u>not</u> be used for operating expenses, which includes the salaries of staff operating the capital project once it is completed.

4.6. **Can funds be used to convert buildings into multi-purpose community facilities?**

Recipients may construct or improve buildings that jointly and directly enable work, education, and health monitoring in response to the COVID-19 public health emergency.

5. Eligible Uses - Broadband

5.1. **Can a program fund a presumptively eligible broadband infrastructure project in an area where there is an existing enforceable federal funding commitment?**

If a recipient is considering using Capital Projects Fund grant funds in areas where there is an existing enforceable funding commitment for service that meets or exceeds 100Mbps download by 20Mbps upload, the recipient must ensure CPF grant funds will not be used for costs that will be reimbursed by the other federal or state funding streams. Additionally, CPF grant funds must be used only for complementary purposes.

5.2. **Is fiber-optic infrastructure the only eligible broadband investment?**

Recipients are encouraged to prioritize investments in fiber-optic infrastructure where feasible, as such advanced technology better supports future needs. To be presumptively eligible for funding, broadband infrastructure projects must be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical download and upload speeds of 100 Mbps, unless impracticable.

5.3. Are middle-mile broadband projects an eligible use of CPF grant funding?

CPF grant recipients may use funds for middle-mile broadband grant projects. However, Treasury encourages recipients to focus on projects that will achieve last-mile connections and those considering funding middle-mile projects are encouraged to have commitments in place to support new and/or improved last-mile service.

5.4. How should a CPF recipient determine the threshold of affordability for broadband connectivity?

Treasury's CPF guidance provides flexibility for recipients of CPF grant funds to best determine the threshold of affordability for their communities. Recipients are encouraged to consult with the community as part of the process they undertake to consider affordability and are required to publish the description of their methods for considering affordability in their project selection process. Treasury will also require recipients to report pricing data as part of program performance and monitoring.

5.5. How does a recipient of CPF grant funds demonstrate that technical standards established in the CPF guidance are impracticable because of geography, topography, or excessive cost?

Treasury gives CPF grant recipients the flexibility to provide a range of data and other information to demonstrate impracticability. CPF grant recipients should provide this information in the grant plan.

6. Reporting

6.1. What reporting will be required for CPF grant recipients?

All recipients of CPF grants are required to submit **project and expenditure reports**. These reports will generally include, but are not limited to, data regarding projects, expenditures, project status, subawards, equity indicators, community engagement efforts, programmatic data, and other measures as determined by Treasury.

States, territories, and freely associated states will submit project and expenditure reports quarterly. Tribal governments will submit project and expenditure reports annually.

States, territories, and freely associated states (but not Tribal governments) are also required to submit **annual performance reports**. Annual performance reports must include data related to program outputs and outcomes against the stated objectives of the recipient's grant plan.

Specific reporting deadlines will be provided to recipients at the time of application approval. Treasury will release additional reporting guidance in the coming weeks.

7. Miscellaneous

7.1. What are examples of eligible "health monitoring" services?

Treasury defines health monitoring services as, "services to monitor an individual's health, including with respect to either physical or behavioral health." This can include, but is not limited to, services such as telemedicine appointments or community health screenings.

CPF recipients should review the CPF guidance to determine if their program or project is eligible. Treasury will evaluate all projects that are not presumptively eligible on a case-by-case basis.

8. Operations

8.1. I cannot log into the Treasury Submission Portal or am having trouble navigating it. Who can assist me?

If you have questions about the Treasury Submission Portal or need technical support, please email CapitalProjectsFund@treasury.gov.

8.2. Why is Treasury employing ID.me for the Treasury Submission Portal?

ID.me is a trusted technology partner to multiple government agencies and healthcare providers. It provides secure digital identity verification to those government agencies and healthcare providers to make sure you're you – and not someone pretending to be you – when you request access to online services. All personally identifiable information provided to ID.me is encrypted and disclosed only with the express consent of the user. Please refer to ID.me Contact Support for assistance with your ID.me account. Their support website is https://help.id.me.