PACIFIC HEALTH INITIATIVE
PROGRAM

BUREAU OF PLANNING

JUN 12 1987

Mr. Alan S. Harris
Chief, Office of Grants Management
Public Health Service, Region IX
Room 335, 50 United Nations Plaza
San Francisco, CA 94102

Dear Mr. Harris:

Enclosed for your consideration are the Government of Guam's applications to upgrade its health services under the Pacific Health Initiative Program.

Sincerely,

/s/

MICHAEL J. CRUZ
Acting Director

Enclosure

MCLEONGUERERO:epb

cc: Chrono/PIP
Reading File
Subject File

Guam Health Planning and
Development Agency
Room 155
Administration Building
212 West Aspinall Avenue
Agana, Guam 96910
Phone: 472-6831/32

Guam Health Coordinating Council
c/o Room 155
Administration Building
212 West Aspinall Avenue
Agana, Guam 96910
Phone: 472-6831/32

June 3, 1987

Memorandum

To: Director, Bureau of Budget and
and Management Research

From: Administrator, Guam Health Planning
and Development Agency

Subject Pacific Health Initiative Grant Applications

Please find that I have attached three separate grant applications in accordance with the Pacific Health Initiative for your review and approval. As you know, Congress authorized $1.5 million to initiate the implementation of recommendations to improve the health systems and services within the U.S. Pacific Island jurisdictions. While there are several areas of concern which would be applicable for Pacific Health Initiative funding, three specific priorities were identified through numerous meetings between Guam's leading health officials and representatives from the Governor's Office. In the absence of direction from the Bureau of Planning, Bureau of Budget and Management Research, or any member of the government reorganization team, we have proceeded as delegated by DPHSS.

Consequently, our Agency has prepared applications for the Department of Mental Health and Substance Abuse, the Guam Memorial Hospital Authority, as well as the existing health planning Agency:

Establishment and initial maintenance of a health information system ($128,860)

Training for mental health employees in drug and alcohol abuse and child and adolescent mental health problems ($63,099)

Training for laboratory, physical therapy, and dietary services personnel ($61,463)

We have included completed forms for each grant application, as well blank forms in the event that you or any of the Clearinghouse officials find it necessary to make modifications. The Agency is keenly aware of the budgetary constraints that are plaguing our Governmnent and that the plans for reorganization may affect any request for funding.

Please note that our office must send these applications by courier service to the Public Health Service, Region IX Office no later than June 11 in order to meet a June 15 deadline. It would be in our government's best interest to have the three applications considered at the same time. We would appreciate if your agency would notify us upon your review and approval of these three applications so that we may make the necessary copies for timely submittal.

AIDA Z. FERNANDEZ
Acting

Attachments

cc: Director, Bureau of Planning ✓

ECTION F -OTHER BUDGET INFORMATION

1. Direct Charges

d. Equipment

4 Modems:	$2,000
Software:	1,000
2 Printers:	1,400
Total	4,400

e. Supplies 2,900

i. The project will be administered and monitored by the Bureau of Planning using local funds. Because the HIS is envisioned to be an ongoing project that will be maintained indefinitely by the Government of Guam, it is to Guam's advantage to identify the persons who will be responsible for the HIS early on the project. The project will be accomplished by soliciting the professional services of a variety of personnel:

Computer Systems Analyst:	$50,000
2 Data Entry Clerks	30,000
Health Data Professional	31,560
Subtotal	111,000
Printing	10,000
Total other	121,560

IV. PROGRAM NARRATIVE

1. Objectives and Need for Assistance.

Guam's health services system has grown rapidly over the past two decades. From the initial U.S. Navy administered hospital and public health programs, the system has expanded into a sophisticated network of governmental and private providers delivering health care to the island residents in a variety of ways. The growth of the health care system has beneficially impacted on the health status of the island population. It has also altered disease patterns, which have moved away from diseases caused by the environmental conditions to those associated with more stressful living, faulty diets, and excessive smoking and drinking. However the definitive determinants of these changes have yet to be explored in depth.

Such an exploration requires the continuous compilation of health status indicators and an evaluation of the availablilty of health resources and health services; it has to monitor the utilization and acceptance of the various health services by the island residents, and also examine health care expenditures. The analysis and evaluation of Guam's health status determinants, in conjunction with a review of our growing health care system, will enable policy makers and health care providers to more efficiently and effectively direct Guam's health care system in the future. This is especially important in an era where health care resources are becoming scarce and allocation of these resources must be prioritized.

On Guam there are, in addition to a thriving private health sector and the military health services, three major health care providers in the public sector: the Guam Memorial Hospital Authority, the Department of Public Health and Social Services, and the Department of Mental Health and Substance Abuse. Each entity houses several divisions or units that offer an array of services under a variety of programs. All of them collect health-related data that is pertinent to either a single program, division, or department, and which may or any not reflect information that is collected in a similar program within a different division or department.

Guam's health care providers and government officials agree that there is an urgent need for system-wide data collection, compilation, and analysis. While department's and their programs have assigned personnel to collect data, their major emphasis is on the provision of health services and therefore establishing departmental health information systems is considered a luxury that cannot be afforded. However, now that services must by provided efficiently and effectively within the bounds of limited funding, health care providers are looking for sound

health-related facts and figures to guide their decisions in program planning and services delivery.

The proposed project will further the goals and objectives of the Guam Health Plan 1985-1990, as prepared by the Guam Health Planning and Development Agency; the Guam Memorial Hospital's and the Department of Mental Health and Substance Abuses's Institutional Plans; and the Department of Public Health and Social Services' Long Range Plan. This project was also given priority during the various Pacific Health Initiative evaluations and meetings.

2. Goals

To provide health and related information that will enable Guam's public health care providers and participants to coordinate health-related decisions, reach agreements concerning mutually acceptable courses of action, and in general to share data and information for the purpose of making Guam's health care delivery system more efficient and effective.

To upgrade the Government of Guam's current health information system (HIS) to provide government-wide integrated health data management services. The system in place provides the foundation to be built upon by the proposed project, which will complement--not replace--existing data activities within the public health delivery systems.

To establish a system that will be self-sufficient at the end of the grant period, and which also has the potential to be expanded to include complementary information from private and military health care providers in the future.

3. Objectives

The health information system will enable the continuous compilation of health status indicators and an evaluation of the availability of health resources and health services, and health care expenditures.

The health information system will be able to utilize data drawn from published documents, existing record systems, registration forms, patient records, financial reports, etc. The data will be provided on forms which have been standardized for demographics, financing mechanisms and health care provider, but retain the

specific elements to meet the respective program needs.

The HIS will be able to provide, on short notice, health related data which include (but are not limited to): demographic, vital event, health status, health service, health care utilization, health financial, health service outcome data, and socio-economic indicators.

The generated information from the HIS can be presented in various ways: rates, ratios, tables, charts and graphs; or statistics, indicators and indices. They all aim to answer a particular question in a specific or standard way. Some standard ways of answering repeated questions have led to uniformly fixed indicators. Examples of such health statistics would be birth rates, infant mortality rates, indices of socio-economic status, or average length of stay in hospital (ALOS).

The established HIS will be utilized for:

Health Resource Allocation
Health Status Determination
Health Status Determinant Identification
Health Service Performance Evaluation
Health Problem Priority Setting
Health Service Operations Monitoring
Health Care Utilization Behavior Assessment
Health Costs per Service Calculations

4. Approach

a. Plan of Action.

The HIS project will be completed within 24 months. During this time the following will be accomplished:

- The Bureau of Planning will be designated as the "center" for health information and the existing HIS will be transferred to the Bureau of Planning;
- Data donor agreements will be secured among Government of Guam agencies and private health care entities;
- Data instruments currently in use will be assessed and the standardized minimal data set will be established;
- Agreements as to a standardized minimal data set will be sought;
- Uniform reporting forms will be designed;
- Existing automated data management will be assessed, analyzed, and modified, and automated systems at data donor source will be implemented when feasible;

- Training workshops for data donors will be held;
- Centralized collection and compilation will be initiated ; and
- Reports of collected and compiled data will be prepared for providers' use.

b. Quarterly Projections.

Activity 1: Establish Health Information Network

During the first quarter of the project period, the Government will designate a "center" at the Bureau of Planning for all health information activities. Agreements will be reached with all public health care providers to donate data on a regular basis to the center. Providers will include:

- Department of Public Health and Social Services
  - Office of Vital Statistics
  - Chronic Disease Control Program
  - Communicable Disease Control Unit
  - Maternal and Child Health Program
  - Bureau of Community Health and Nursing Services
  - Home Care Program
  - Medical Assistance Program
  - Division of Senior Citizens
- Guam Memorial Hospital
  - Division of Medical Records
- Department of Mental Health and Substance Abuse
- Superior Court
  - Alternative Sentencing Program
  - Probation Unit.
- Seventh Day Adventist Clinic
- Guam Family Medical Clinic
- FHP Clinic
- Guam Memorial Health Plan and Associates
- FHP/HML (Health Plans)
- Staywell (Health Plan)
- Navy Regional Medical Center.

Activity 2: Assess Existing Data Needs and Availability

During the first, second and third quarters, the data instruments currently in use

will be obtained and analyzed. The "center" will compile a list of minimal standard factors that are presently included or should be included on the instruments. Existing instruments will be made uniform to conform to the minimal data standards for collection and analysis, while at the same time accomodating specific program needs. Throughout this process, public health donor agencies will be involved in the development of the data set and instruments. Once the data set is established and the instruments are finalized, formal agreements for their use will be obtained.

Activity 3: Data Managment Assessment at Data Donor Sources and at "Center"

During the second, third and fourth quarters, existing data management techniques will be assessed and analyzed. Modifications to the data techniques will be implemented to conform to new data collection procedures and instruments. Computerized data networking will be explored as a means of data exchange with the HIS. Automated systems at data donor source will be installed when feasible. Also at this time, the capabilities of the existing HIS will be assessed and expanded.

Activity 4: Training and Workshops

During the first quarter, seminars will be conducted for administrators and program coordinators to secure management's cooperation with the objectives of the HIS by demonstrating how data can be utilized in program or services planning, monitoring and evaluation. During the second and third, and fourth quarters, training workshops for data collectors and data entry clerks will be held. These trainings will be conducted on an ongoing basis after systems analysis has been completed for each program area within a health entity. Training will be provided at each site to stress the importance of the HIS and the staff's relationship to it; familiarize them in the new data instruments; and train them in data collection and entry techniques. Training for program personnel in use of the system to retrieve data necessary to support individual program requirements will be held.

Activity 5: Data Collection and Reports

During the fifth through eighth quarters, the center will initiate and fully implement its centralized collection and compilation activities with the donor agencies as data becomes available. Reports of collected and compiled data will

be prepared and will be shared with donor agencies, policy makers, and researchers.

Activity 6: Health Information System Self-Sufficiency

During the entire grant period, staff of the Planning Information Program at the Bureau of Planning will be involved in all phases of the construction of the HIS, will provide technical support, and will be trained by the consultant to maintain an on-going HIS. Data collection procedures, software applications, and data retreival and tabulation will be thoroughly understood and will become the responsibility of the Bureau of Planning staff by the end of the project period.

5. Criteria for Evaluation

1. Designation of the Bureau of Planning as the "center" which will operate and maintain the Territory's Health Information System.
2. Signed agreement from the 4 donor agencies and transmital of data instruments from 80 percent of the programs identified by the "center" to contribute and participate in the Health Information System.
3. Review and revision of 90 percent of the donor form received by the HIS center.
4. Implementation of 80 percent of the data bases required to generate reports from the HIS to the data donors.
5. Completion of training workshops by the end of the fourth quarter.
6. Generate reports of collected and compiled data for each of the participating agencies or programs.
7. Maintenance of the HIS by the Bureau of Planning at the end of the project period.

6. Contingency Plans

A computer systems analyst is an integral part of the project. Such expertise is available on Guam. However, in the event there is a delay in the hiring of an on-island analyst, implementation of those portions of the project requiring an analyst will be postponed. The Bureau of Planning will continue with the project activities not requiring an analyst.

Personnel required will include a computer systems analyst, two data entry clerks, and a health data professional. It may be in the best interests of the HIS to hire such individuals separately, to hire a consulting firm, and/or sub-grant portions of the project to Government of Guam health data providers.

It is anticipated that the Bureau of Planning will be hiring a permanent, classified Planner III with a health data background using local funds.

Geographic Location.

Guam is part of Micronesia and the largest of the Marianas Islands which are situated in the Western Pacific. This western-most territory of the United States lies 5,800 miles from the U.S. West Coast and 3,800 miles from its closest U.S. neighbor, Hawaii. While Guam has established frequent and reliable communication and transportation links, the island is relatively isolated from the U.S. mainland and the other Pacific islands because of the high cost involved for travel, shipment and communication in overcoming distance. (Please see Appendix B for maps).

Guam consists of a single land mass of 225 square miles (length of 30 miles, width from four to eight miles). The climate is tropical, with high humidity and distinctive dry and rainy seasons. Due to the islands location in the tradewind latitudes and on the fringe of the Asiatic monsoon area, it is extremely vulnerable to frequent local storms and typhoons which have the real potential to cause extensive damage and endanger the health and safety of residents.

Guam counts at present 120,000 inhabitants, of which there are 96,011 civilians and approximately 24,000 military personnel. Less than half (49.5%) are the indigenous Chamorros, an estimated 22 percent are Filipinos, about 18 percent are Caucasians, and close to 15 percent of the total population are of Asian or Pacific ethnicity.

Guam has a very young population. The median age calculated from the 1980 Census for the total population was 22.2 years. In 1985, more than half, 53.5 percent of all civilian inhabitants were under the age of 25 and one-third (32.9%) were children below 15. The dependency ratio for the island was determined to be 57.5 in 1985.

In 1984, Guamanians had a per capita taxable income of $4,000. The average hourly earning rate was $5.17. The Consumer Price Index during that time had risen to 192.7 (calculated from 1978 = 100), and the purchase power of the consumer dollar had decreased to $0.52. The unemployment rate hovers around 8.5 percent.

PHS SUPPLEMENTARY INSTRUCTIONS

CHECKLIST

NOTE TO APPLICANT: Complete and forward this sheet with your application.

Type of Application

☒ New ☐ Noncompeting Continuation ☐ Competing Extension ☐ Supplemental

CHECKLIST

- ☒ Proper Signatures and Dates (Item 23 on face page)
- ☐ Human Subjects Certification (when applicable)
- ☒ Staff and Position Data (biographical sketch(es) with job description when required).
- ☐ Intergovernmental review under E.O. 12372 if required by the State.
- ☐ Health Systems Agency review if required.
- ☒ Civil Rights Assurance of File with HHS (45 CFR 80)
- ☒ Assurance Concerning the Handicapped on File with HHS (45 CFR 84)
- ☐ Assurance Concerning Sex Discrimination on File with HHS (45 CFR 86)

A private, nonprofit organization must include evidence of its nonprofit status with the application. Any of the following is acceptable evidence:

- ☐ (a) A reference to the organization's listing in the Internal Revenue Service's most recent cumulative list of organizations.
- ☐ (b) A copy of a currently valid Internal Revenue Service Tax exemption certificate.
- ☐ (c) A statement from a State taxing body or the State Attorney General certifying that the organization is a nonprofit organization operating within the State and that no part of its net earnings may lawfully inure to the benefit or any private shareholder or individual.
- ☐ (d) A certified copy of the organization's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the organization.
- ☐ (e) Any of the above proof for a State or national parent organization, and a statement signed by the parent organization that the applicant organization is a local nonprofit affiliate.

If an applicant has evidence of nonprofit status on file with an agency of PHS, it will not be necessary to file similar papers again, but the place and date must be indicated.

Previously filed with: _____ on _____ (date)

Name, title, address and telephone number of official in business office to be notified if an award is made.

Michael J. Cruz, Acting Director
Bureau of Planning
Government of Guam
P. O. Box 2950
Agana, Guam 96910 (671) 472-8931/9 Extension 404 & 417

Name, title, address and telephone number of official responsible for carrying out the proposed project.

Susan M. Ham
Program Manager, Planning Information Program
P. O. Box 2950
Agana, Guam 96910 (671) 472-8931/9 Extension 404 & 417

If this is an application for continued support, include: (1) the report of inventions conceived or reduced to practice required by the terms and conditions of the grant; or (2) a list of inventions already reported; or (3) a negative certification.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

ASSURANCE OF COMPLIANCE WITH SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED

The undersigned (hereinafter called the "recipient") HEREBY AGREES THAT it will comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), all requirements imposed by the applicable HHS regulation (45 C.F.R. Part 84), and all guidelines and interpretations issued pursuant thereto.

Pursuant to §84.5(a) of the regulation [45 C.F.R. 84.5(a)], the recipient gives this Assurance in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts (except procurement contracts and contracts of insurance or guaranty), property, discounts, or other Federal financial assistance extended by the Department of Health and Human Services after the date of this Assurance, including payments or other assistance made after such date on applications for Federal financial assistance that were approved before such date. The recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance and that the United States will have the right to enforce this Assurance through lawful means. This Assurance is binding on the recipient, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the recipient.

This Assurance obligates the recipient for the period during which Federal financial assistance is extended to it by the Department of Health and Human Services or, where the assistance is in the form of real or personal property, for the period provided for in §84.5(b) of the regulation [45 C.F.R. 84.5(b)].

The recipient: [Check (a) or (b)]

a. ( ) employs fewer than fifteen persons;

b. (X) employs fifteen or more persons and, pursuant to §84.7(a) of the regulation [45 C.F.R. 84.7(a)], has designated the following person(s) to coordinate its efforts to comply with the HHS regulations:

Susan M. Ham
Name of Designee(s) (Type or Print)

Bureau of Planning
Government of Guam
Name of Recipient (Type or Print)

P. O. Box 2950
Street Address or P.O. Box

(IRS) Employer Identification Number

Agana,
City

Guam 96910
State Zip

I certify that the above information is complete and correct to the best of my knowledge.

June 12, 1987
Date

Michael J. Cruz, Acting Director
Signature and Title of Authorized Official

If there has been a change in name or ownership within the last year, please PRINT the former name below:

NOTE: If this form is not returned with the application for financial assistance, return it to DHHS, Office for Civil Rights, 330 Independence Avenue, S.W., Washington, D.C. 20201.

OCR-001 (2-87)

ASSURANCE OF COMPLIANCE WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES REGULATION UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

Bureau of Planning (hereinafter called the "Applicant")

Name of Applicant (type or print)

HEREBY AGREES THAT it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 80) issued pursuant to that title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant by the Department, this Assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this Assurance shall obligate the Applicant for the period during which it retains ownership or possession of the property. In all other cases, this Assurance shall obligate the Applicant for the period during which the Federal financial assistance is extended to it by the Department.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Applicant by the Department, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Applicant recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the Applicant, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the Applicant.

Date June 12, 1987

Bureau of Planning

Applicant (type or print)

By Michael [illegible]

Signature and Title of Authorized Official

P. O. Box 2950

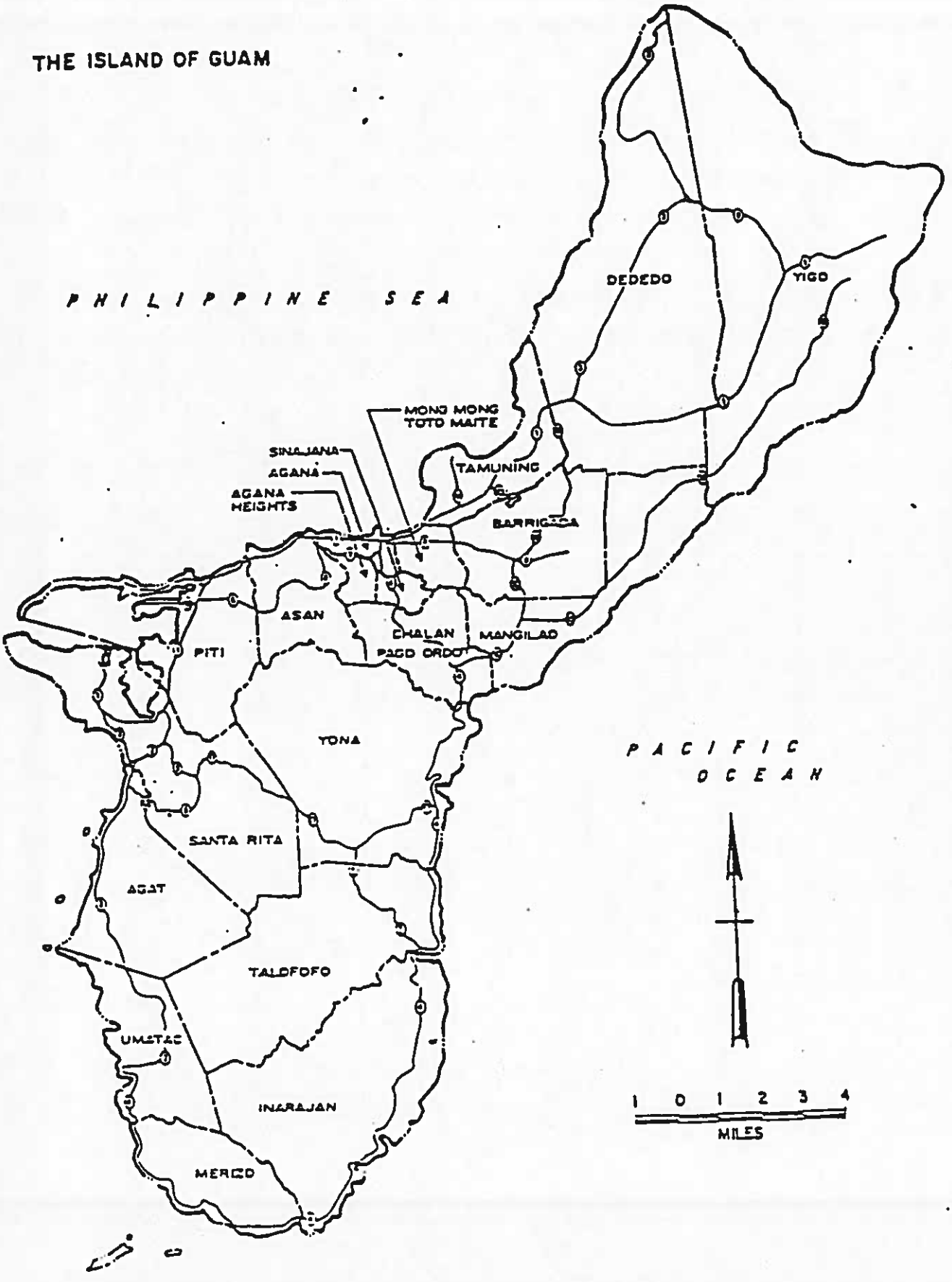
Agana, Guam 96910

Applicant's mailing address

NOTE: If this form is not returned with the application for financial assistance, return it to DHHS, Office for Civil Rights, 330 Independence Ave., S.W., Washington, D.C. 20201

HHS-441 (Rev. 12/82)

GUAM IN THE WESTERN PACIFIC


THE ISLAND OF GUAM
PHILIPPINE SEA
DEDEDO
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MONG MONG
TOTO MAITE
SINAJANA
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HEIGHTS
TAMUNING
BARRIGADA
ASAN
PITI
CHALAN
PAGO ORDOT
MANGILAO
TONA
PACIFIC
OCEAN
SANTA RITA
AGAT
TALOFOFO
UMATAC
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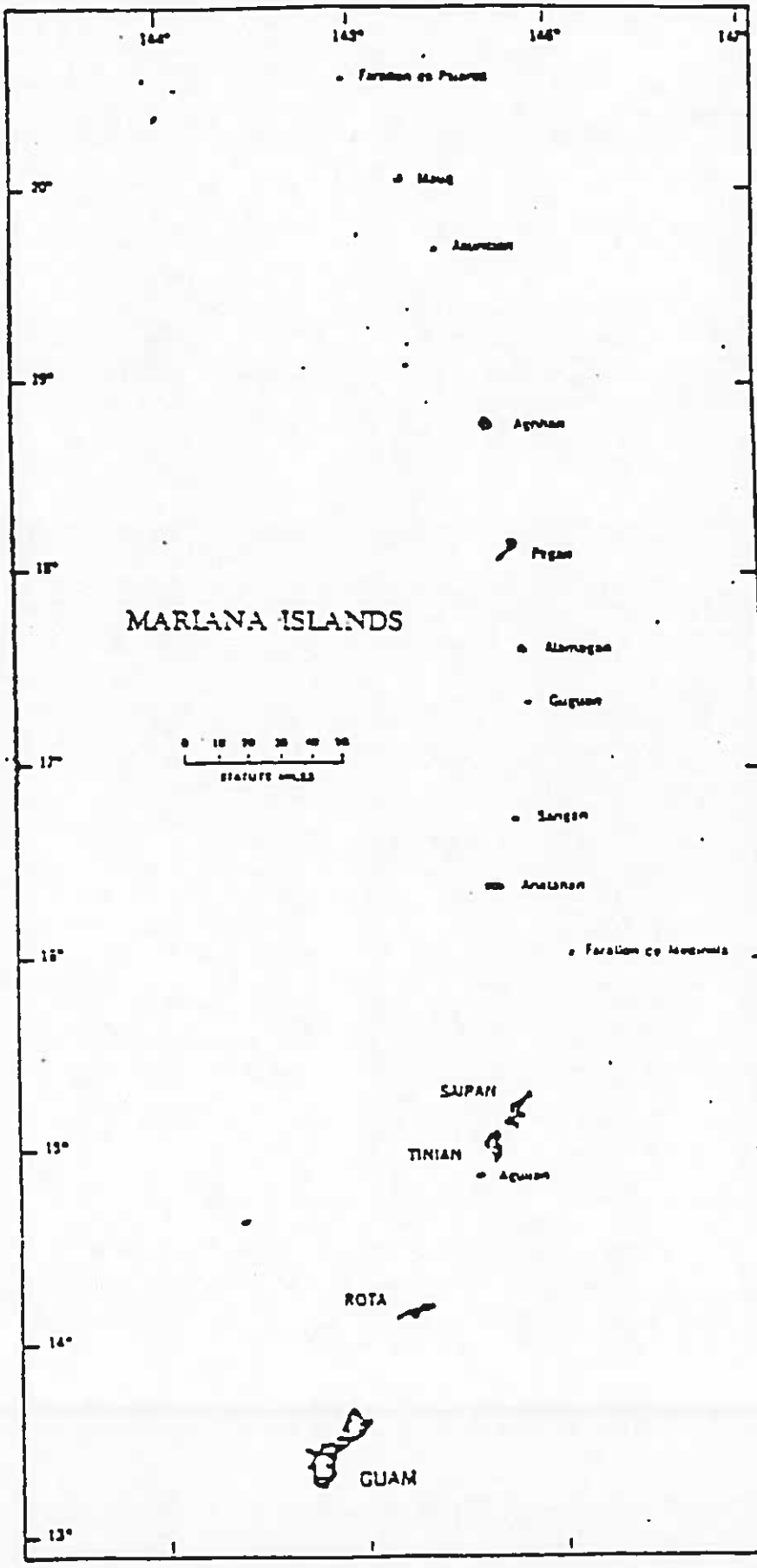
MILES
VILLAGE BOUNDARIES

GUAM IN THE MARIANA ISLANDS



PART III

BUDGET INFORMATION PHS SUPPLEMENTARY INSTRUCTIONS

General

The "budget" is the applicant's estimate of the total cost of performing the project or activity for which grant support is requested. It will normally include the amounts requested from PHS (Federal share) and any amounts proposed to meet the matching or cost participation requirements (non-Federal share).

Matching amounts are those required by legislation whereas cost participation amounts are administratively imposed by PHS officials on a project-by-project basis. Matching or cost participation amouonts comprising the non-Federal share may also include any amounts voluntarily proposed by the applicant that are in excess of PHS requirements.

In preparing the budget, particularly in presenting the applicant's share, it is important to understand that any and all project costs which might be approved by PHS and documented on the Notice of Grant Award (NGA) as the total approved budget will be subject to the same Federal requirements of allowability and prior approval. PHS and the grantee, as a condition of award, will share in the approved cost according to the percentage of the Federal and non-Federal funds approved in the budget, excluding in-kind contributions.

While it is not the intent of the Federal Government to have applicant organizations participate in the budget to the extent that PHS would exercise unreasonable control over grantee resources, the intent of the applicant with respect to its non-Federal participation must be clearly established in the budget and in the narrative.

All proposed costs reflected in the budget, both Federal and non-Federal, must be necessary to the project, reasonable, and otherwise allowable under program legislation and regulations, grant policies, and the applicable cost principles described in Subpart Q of 45 CFR, Part 74.

In negotiating the budget, PHS will take into account the applicant's potential for generating income from third parties (program income). This process becomes more important each succeeding year that PHS continues to support a project and as grantees become better able to assume a heavier financial responsibility for the total project.

Sections A thru D should provide budget estimates for a single budget period of 12 months unless program guidelines stipulate otherwise.

Direct Assistance—

Direct assistance is goods or services provided in lieu of cash. This type of assistance, which requires a prior agreement with the awarding agency, may include the assignment of PHS personnel or the provision of supplies or equipment. If Direct Assistance is requested in lieu of Financial Assistance enter the cash equivalent amounts in column (2) under Section B in the appropriate object class categories. Identify all Direct Assistance items under Section F.

Section A—Budget Summary

Columns (c) and (d) — For projects currently receiving PHS support, estimated unobligated funds should always be entered in these columns.

Section B—Budget Categories

Amounts entered by budget category in this section are for summary purposes only. Itemization and justification of specific needs by budget category are to be shown under Line 21, Section F.

Line 6.a - 6.h.—The budget amounts must reflect the total requirements for funds regardless of the source of funds. All amounts entered in this section are to be expressed in terms of whole dollars only after completing the requirements of Section F.

Line 6.j—Indirect costs are those costs related to the project that are not included as direct costs in a. thru h. To receive payment for indirect costs, the applicant must have the current indirect cost rate approved by HHS or have adequate documentation on file if the applicant is a local government agency. Information and advice on establishing indirect cost rate proposals may be obtained from the Division of Cost Allocation in the appropriate HHS regional office.

Line 7.—Program income (grant related income) means gross income earned by the grantee from grant-supported activities. Grant-supported activities are those activities specified or described in the program narrative which are approved for PHS funding whether or not such PHS funding constitutes all or only a portion of the financial support necessary to carry out such activities. Grant-supported activities, therefore, are not just those activities performed with Federal grant funds, but are activities performed under the project which is being supported in whole or in part by PHS.

Program income includes but is not limited to income in the form of fees for services performed during the grant period, proceeds from the sale of tangible personal or real property, usage or rental fees, and patent or copyright royalties. Include on this line the total amount of program income expected to be generated from the project for the budget period requested from both the Federal and the non-Federal grant supported activities.

Income from fees and other income classified as "general program income" (see 45 CFR, Part 74.42) may be proposed to satisfy a matching or cost participation requirement and included in the grant budget but may not actually be used for such purposes unless the terms of the grant expressly permit it. When proposed for matching or cost participation, such income must be separately identified under Section F, Line 23.

Section C—Source of Non-Federal Resources

Lines 8-11 — Enter amounts of non-Federal resources, if any, that will be used in conjunction with Federal grant funds to carry out the project. Explain in Line 23, Section F, showing the type of contribution, and whether it is cash or in-kind.

Section D—Forcasted Cash Needs

Whenever unusual differences are reflected in the quarterly projections, a justification should be furnished under Line 23, Section F.

Section E—Budget Estimates of Federal Funds Needed for Balance of the Project

Lines 16-19 — For projects requiring more than one year to complete, it is important that the awarding office and the applicant reach a mutual understanding as to the probable length of the project and approximate amount of financial support that PHS will provide.

The total time for which support of a project may be programmatically approved by awarding offices constitutes the "project period." This approval of a project period does not bind the Federal Government to support the project in future years but it does enable grantee and grantor to make budgetary projections and reduce certain administrative procedures. Future funding of the project is dependent on the availability of funds and satisfactory progress of the project.

Except where specifically permitted by legislation or regulation, awarding component approval of a project shall not exceed 5 years. Within the approved project period, projects will be divided into "budget periods" (usually 12 months) for funding and reporting purposes.

For new applications and continuing grant applications, enter in the proper columns amounts of Federal funds for direct costs which will be needed to complete the project over the succeeding funding periods. Explain in Section F any unusual increases or decreases projected for subsequent years. Consider such factors which may change the level of any category in future years, such as promotions, reductions for nonrecurring items, etc.

Section F—Other Budget Information

Line 21. Direct Charges: Identify and explain all items or categories requested under Section B in accordance with the instructions set forth below. The itemization must reflect the total requirements for funding from Federal and non-Federal sources. Do not list here any items included in the indirect expenses entered on Line 22 below.

a. Personnel—Show salaries and wages only. Fees and expenses for Consultants should be included under h., Other. Salary amounts and percent of time or effort must be shown for each key individual and/or position identified by name or title in the program narrative. A suggested format titled Key Personnel is included for this purpose. Place asterisks in front of Direct Assistance positions to separately identify them.

b. Fringe Benefits—Leave blank if fringe benefits applicable to direct salaries and wages are treated as part of indirect costs in the indirect cost rate negotiation agreement. *If your organization does not have a Federally negotiated fringe benefit package, list each component included as a fringe benefit.*

c. Travel—Use only for travel (foreign and domestic) of project staff. Travel of consultants, board members, trainees, etc., should be itemized under Item h., as should local transportation (i.e., where no out-of-town travel is involved). Identify proposed *out-of-town* travel for project personnel and board members. Supporting data should include numbers of trips proposed, modes of transportation, and related subsistence expenses. All proposed travel costs must be consistent with the grantee organization's travel policies, or if none, should not exceed those limits described in the HHS travel regulations.

   Any foreign travel requested must be separately identified and justified. Travel to be provided by Direct Assistance must also be separately identified.

d. Equipment—Means an article of nonexpendable tangible personal property having a useful life of more than 1 year, and has an acquisition cost of $500 or more per unit.

   List and estimate cost of each item of nonexpendable personal property to be purchased for use on the project. Justify items where project relatedness is not obvious. Equipment to be provided by Direct Assistance must be separately identified.

   Items costing less than $500 should be shown under Line e., Supplies.

e. Supplies—Include all tangible personal property except that which is listed under Equipment. Requests whose aggregate costs are in excess of $500 per subcategory of tangible personal property (supply) must be separately identified and explained. Vaccine and other supplies to be provided by Direct Assistance must also be separately identified.

f. Contractual—Use for: (1) procurement contracts (except those which belong in other categories such as equipment, and supplies), (2) inpatient and outpatient care cost, and (3) contracts or other agreements with secondary recipient organizations such as affiliates, cooperating institutions, delegate agencies, political subdivisions, etc. Payments to individuals such as stipends and allowances for trainees, consulting fees, etc. should be itemized under the category "Other".

   Identify all proposed contractual activities included in this category.

   For each proposed contract in (1) above in excess of $25,000 and each item in (2) and (3) above provide the following information:

   1. A description of the activities or functions involved;
   2. A justification for their performance by a third party;
   3. A breakdown of and justification for the estimated costs including the manner in which indirect cost charges, if any, will be reimbursed;
   4. The type of contract expected to be awarded;
   5. The kinds of organizations or other parties to be selected; and
   6. The method of selecting these parties.

g. Construction—Use for alterations and renovations only. Alterations and renovations may include work referred to as improvements, conversion, rehabilitation, remodeling, or modernization. Proposed costs that constitute new construction, relocation of exterior walls, roofs and floors, or completion of unfinished shell space to make it suitable for human occupancy are considered to be construction and are unallowable unless specifically authorized by legislation and defined in program regulations. A separate application is required for construction.

   Consult the grants management office for guidance if funds are to be requested for this item.

h. Other—*Use for all direct cost items and Direct Assistance items not identified and explained under the above categories.* Include a description of the proposed costs. Examples of direct costs which should be included here are computer use charges, payments to individuals such as stipends or trainee allowances, consultant services, space or equipment rental, local transportation, communication, reproduction costs, recruitment of staff, audit expenses, etc.

Section F—Line 22. Indirect Charges: Enter the indirect cost "rate" claimed.

Section F—Line 23. Remarks: Identify as to amount and source of funding non-Federal resources previously entered in Section C that will be used in conjunction with Federal funds to carry out the proposed project. If in-kind contributions are proposed, show the basis for computation including: (1) numbers and types of volunteers and rates at which their services are valued: (2) valuation of donated space (use only) including number of square feet and value assigned per square foot; (3) determination of depreciation and use allowance for grantee-owned space; and (4) type and value of other in-kind contributions expected.

Identify separately costs proposed to meet matching or cost participation requirements. In general, matching or cost participation requirements may be met from any non-Federal source including cash or in-kind contributions. General program income may be used when authorized by the terms of the grant. Certain funds from Federal sources such as medicare and medicaid reimbursement and General Revenue Sharing may also be used. For specific information on the eligibility of proposed matching or cost participation sources, refer to the authorizing legislation and program regulations or consult with the appropriate grants management office.