
Distance Learning & Telemedicine Program

*Grant Application Guide
Fiscal Year 2009*



**Rural Development
United States Department of Agriculture**

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2009 DLT Grant Application Guide
Contents

Distance Learning and Telemedicine Grant Program	1
Section I. GENERAL INFORMATION.....	2
A. Types of Financial Assistance	2
B. Fiscal Year 2009 Funding	2
C. Who’s Eligible?	3
D. Scoring Criteria	3
E. Contacts & the Web	5
F. Freedom of Information Act	5
Section II. APPLICATION SUBMISSION.....	6
A. DLT Program Regulation and FY 2009 Application Guide (Application Review Process Changes & Reminders for FY 2009)	6
B. FY 2009 Application Deadline	7
C. How to Submit a Paper Application	8
D. How to Submit an Electronic Application	8
Section III. APPLICATION PROCESS.....	9
A. Review Process	9
B. Appeal Process	9
C. Grant Awards	10
Section IV. THE COMPLETE APPLICATION.....	10
A. Standard Form 424 and Attachments	13
B. Legal Eligibility	16
C. Executive Summary	17
D. Project Information (Eligible & Ineligible Purposes)	18
D-1. Telecommunications System Plan and Scope of Work	23
Categorizing Sites	24
Apportioning DLT Project Benefit	26
Telecommunications System Plan Details	29
Scope of Work	32
D-2. Budget	33
D-3. Financial Information and Sustainability	42
D-4. Statement of Experience	42

2009 DLT Grant Application Guide

E.	Objective Scoring Supporting Documentation	43
	E-1. Rurality	43
	E-2. National School Lunch Program (NSLP)	60
	E-3. Leveraging (Matching Funds)	64
	E-4. Empowerment Zones/Enterprise & Champion Communities	69
F.	Subjective Scoring	70
	F-1. Additional NSLP	71
	F-2. Community Needs and Project Benefits	71
	F-3. Innovativeness of the Project	73
	F-4. Cost-Effectiveness of the Project	74
G.	Contact with USDA State Director – Rural Development	75
H.	Certifications	76
Section V.	Putting It All Together.....	77
Appendix	Review of Process Changes from FYs 2006 & 2007	A-1

Distance Learning and Telemedicine Grant Program

Administered under Rural Development's Telecommunications Program

Advanced telecommunications services play a vital role in the economic development, education and health care of rural Americans. The Distance Learning and Telemedicine (DLT) Program is specifically designed to meet the educational and health care needs of rural America through the use of advanced telecommunications technologies. With DLT grants, loans, and loan-grant combinations, we help rural communities enjoy enhanced educational opportunities, improved health care services and greater economic development.

Our partnership with rural America is long-standing. For almost 60 years, the Telecommunications Program has been at the forefront of providing the infrastructure financing that brought advanced telecommunications services to the most rural areas of our country. Today, Rural Development's Telecommunications Program continues as an essential source of financing and technical assistance for rural telecommunication systems. The DLT Grant Program strengthens that partnership and commitment by continuing to improve the quality of life for rural citizens.

Through its telecommunications infrastructure loan program and DLT Program, we have helped build community partnerships that provide both the infrastructure needed to reach the schoolhouse or clinic door and the equipment required inside that door.

Your organization is to be commended for its interest in providing rural residents - students, teachers, parents, patients and physicians - with innovative and affordable educational and health care opportunities which were once available only in Urban Areas. By submitting an application for financing under the DLT Program, you take a significant step toward improving the quality of life in rural America.

In this guide, you will find information on eligibility requirements; funding purposes and types of financial assistance; the how, when, and where to submit an application; and tips that will be useful in preparing your application.

Section I - General Information

This application guide will help you apply for a grant under the DLT Program. Where appropriate, the application guide includes suggestions and samples. Please note that the suggestions and samples are not a formula for a successful application. We urge you to use your unique understanding of your community and your project to prepare a compelling case for grant financing.

We endeavor to make this *Application Guide* a complete source of information on how to prepare a successful application and have designed it for the first-time applicant with no previous experience applying for grants. We hope that you will find it helpful.

A. Types of Financial Assistance

The DLT Program provides three kinds of financial assistance.

1. 100% Grant
2. Combination Loan-Grant (no current Budget Authority)
3. 100% Loan (no current Budget Authority)

The eligible purposes for 100% grants are the most restrictive. More purposes are eligible under the combination loan-grant and even more are eligible for a 100% loan. This guide covers the application requirements for a 100% grant. If your project includes purposes not eligible under the 100% grant program such as projects for Electronic Medical Records, please review the *FY 2009 DLT Loan and Combination Loan-Grant (Combo) Application Guide*, and consider one of those financing options should funding be provided for them. However, at the time this document was prepared, the Agency has no Budget Authority to make Loans or Combos. Should that change in a future appropriations process, we will publish a Notice of Funds Availability in the Federal Register.

B. Fiscal Year 2009 Funding

As of the date this document was prepared, the amount available for 100% grants had not been determined. Presuming that funds are appropriated, funding levels will be announced at a later date in the Federal Register. The maximum grant is \$500,000. The minimum is \$50,000.

C. Who's Eligible?

To be eligible for a grant, your organization must:

1. Currently deliver or propose to deliver distance learning or telemedicine services for the term of the grant. To receive a grant, the purposes must meet the grant definition of distance learning and telemedicine. The DLT program is focused on sustainability. Planning studies, research projects, and short-term demonstration projects of less than two years will not be considered.
2. Be legally organized as an incorporated organization or partnership; an Indian tribe or tribal organization; a state or local unit of government; a consortium; or other legal entity, including a private corporation organized on a for profit or not-for profit basis with the legal capacity to contract with the United States Government. Please see 7 CFR 1703.103(a)(1) & 1703.125(k) for specific legal definitions and citations.
3. Operate a rural community facility or deliver distance learning or telemedicine services to entities that operate a rural community facility or to residents of rural areas at rates calculated to ensure that the benefit of the financial assistance passes through to such entities or to residents of rural areas.

Note: Electric or telecommunications borrowers financed through the Utilities Programs of Rural Development are not eligible for grants, but are eligible for loans. See the *Loan and Combination Loan-Grant Application Guide* for more information.

D. Scoring Criteria

The DLT Grant Program is competitive. Applications are scored in **objective** and **subjective** categories. Objective criteria are generally straightforward indicators. Subjective criteria are more comparative in the sense that the score of one application is based on comparison to other applications received that year.

For each category, these tables display the shorthand name in bold, a simple summary, and the maximum points available. Although the eight categories appear to add to a maximum score of 235, the maximum score that can actually be earned is 225 points. This is because the *Additional NSLP* points are available only to applicants who score 15 or fewer of the 35 points possible under the *NSLP* category. More detailed descriptions of the scoring categories can be found in Section IV of this *Application Guide*.

2009 DLT Grant Application Guide

Objective Criteria

Rural Area (<i>Rurality</i>)	This criterion measures how rural the area is. To be eligible for a grant, the applicant must earn a minimum score in this category based on data from the Census. (up to 45 Points)
Economic Need (<i>NSLP</i>)	This criterion measures the general economic need of the area through the use of statistics from the National School Lunch Program (NSLP). (up to 35 Points)
Special Communities (<i>EZ/EC</i>)	This criterion awards points to projects located in a USDA Empowerment Zone/Enterprise Community (EZ/EC) and/or Champion Community. (up to 15 Points)
Matching Funds (<i>Leveraging</i>)	The DLT program requires a minimum match of 15%. Higher matches receive additional points. There are special matching provisions for American Samoa, Guam, Virgin Islands, and the Northern Mariana Islands. (up to 35 Points)

Subjective Criteria

<i>Additional NSLP</i>	An applicant with an NSLP eligibility below 50% may request additional points based on a well-documented demonstration that the NSLP percentage is not an accurate indicator of the economic need of the area. (up to 10 Points)
Need for Services and Project Benefits (<i>Needs and Benefits</i>)	This criterion measures the specific needs of the community and how the proposed project will meet those needs, not the generalized need captured by the NSLP score. (up to 45 Points)
<i>Innovativeness</i>	This criterion assesses how the objectives of the proposed project are met in new and creative ways. (up to 15 Points)
<i>Cost Effectiveness</i>	This criterion evaluates the efficiency with which the proposed project delivers educational and/or medical benefits to beneficiaries. (up to 35 Points)

E. Contacts & the Web

The DLT Program staff is available to answer questions about the application process and program requirements. In particular, and as described more thoroughly elsewhere in this *Guide*, we remind applicants that applications are evaluated for eligibility and score based on information submitted by the application deadline. We will not solicit or consider information submitted after the application deadline. If you have questions, the time to contact us with those questions is before you submit the application.

Contact us at:

Phone: 202-720-0413

Fax: 202-720-1051

Email: dltinfo@wdc.usda.gov

We post the latest DLT developments including the FY 2009 *Application Guide* (includes: Narrative, *Toolkit*, & Regulation) and *Notice of Solicitation of Applications* on the DLT Web page. Should funding be made available for this Program, we will also post the *Notice of Funds Availability* on this page.

www.usda.gov/rus/telecom/dlt/dlt.htm

F. Freedom of Information Act

Should your organization win an award, your application must be made available to others if requested under provisions of the Freedom of Information Act (FOIA). Under FOIA, some sensitive information is protected from release, but the balance is not. Costs to assemble and duplicate the material are charged to the entity that requests the information. If you provide any information in your application that you feel should be protected, please identify it, and provide justification for why it should be withheld. For more information about FOIA see:

www.usda.gov/news/foia/main.htm

It is our experience that the common motivation for obtaining a DLT application under FOIA is so that it can be used as a template. We do not believe that this is a productive approach to crafting a successful DLT application. Disregarding the cost of obtaining another applicant's grant under FOIA, which can be considerable, most of that application would be irrelevant as guidance to a prospective applicant. And while it might seem useful to see another's responses in the subjective scoring categories, the best scores in those categories are awarded for responses specific to the applicant's project.

Good applications do not spring from a template. As noted above, we endeavor to make this *Application Guide* a complete source of information on how to prepare a successful application and have designed it for the first-time applicant with no previous experience applying for grants. As an applicant, remember that no one knows your project and special circumstances as well as you. As a consequence, no one can do a better job of crafting an application than you.

Section II - Application Submission

A. DLT Program Regulation and FY 2009 Application Guide

The implementing regulation for the DLT Program is 7 CFR 1703, Subparts D through G (Part 1703) as supplemented by the FY 2009 Notice of Solicitation of Applications (NOSA) and as elaborated upon in this *Application Guide*. The *FY 2009 Application Guide* is designed to be an easy-to-use version of Part 1703 and the NOSA.

Application Review Process Changes and Reminders for FY 2009

Eligible Purposes – Instructional Programming

There are three categories of eligible purposes under the DLT Grant Program and those purposes are described in detail elsewhere in this *Guide*. Under §1703.121 it is stated that “(g)rants shall be expended only for the costs associated with the initial capital assets associated with the project. In brief, the eligible purposes are (1) equipment, (2) instructional programming, and (3) technical assistance and instruction for using eligible equipment.

With respect to instructional programming, to be eligible, such programming must be an initial capital asset such as the cost associated with the acquisition of reusable educational software. Tuition and fees for events such as field trips are expenses, not capital assets. As a consequence they are not eligible for grant funding and can not be credited as match.

Focus on Rural Areas

Applicants are reminded that the intent of the DLT Program as envisioned in the legislation establishing the Program and regulation which implements the Program (7 CFR 1703) is to benefit rural areas (20,000 or less). It is important to note that the definition of “end-user” in the regulation envisioned only rural facilities such as rural elementary, secondary, and other educational institutions; rural hospitals, primary care centers, or other rural community facilities. We encourage applicants to bear this in mind and limit their projects to rural end-users. While we recognize that applicants may desire to include urban (>20,000) end-users in their project, the Agency reserves the right to evaluate the benefit that flows to urban areas and adjust grant and match funds budgeted for the benefit of urban end-users when the urban benefit is either not necessary to serve rural areas or when the urban benefit is more than incidental to the benefit to rural end-users.

2009 DLT Grant Application Guide

Application Number

Sometimes different applicants have similar names or the same entity has more than one application. We have always assigned an internal identification number to each application as it is received to assist us in filing and in our review process. Last year, we began informing applicants of this number in correspondence we send to them so as to facilitate their contacts with us and to ensure that all correspondence is tied to the correct application. This was a useful change and we will continue to do so in FY 2009. Look for this number at the bottom of any correspondence we send you.

No Major Changes in Process in 2009

Each year, we adjust and amplify the *Application Guide* based on experience gained the previous year. This year is no different. For example, applicants continue to include “connectivity” charges in their budget. Internet access and other forms of connectivity are not eligible purposes, so we have emphasized this in the relevant portions of the *Guide*. In most respects, however, this *Guide* is quite similar to last year’s and includes no significant process changes. Nevertheless, we encourage all applicants, even those who applied last year, to thoroughly review this year’s edition because there is additional useful guidance and information throughout. For those who may have applied several years ago and have found the guide changed from what they remember, the descriptions and justifications for the larger process changes as described in the Fiscal Years 2006 and 2007 *Application Guides* can be found in an appendix at the back of this *Guide*.

B. FY 2009 Application Deadline – March 24, 2009

All applications must either be delivered into our hands or carry third-party proof of shipping (or electronic submission, if applicable) by the application deadline to be eligible for funding under the FY 2009 DLT program. **Applications will not be accepted by fax or e-mail. Late applications will be returned without being considered for funding.**

No Time Extensions – The Agency does not grant extensions to the grant deadline under any circumstances.

C. How to Submit a Paper Application

Applications are to be presented in the format described in this *Guide*. Paper applications must either be delivered and in our hands by the application deadline or show proof-of-shipping **no later than the application deadline**. The proof-of-shipping must be from a third party such as the Postal Service or a commercial carrier. Evidence of shipping not under direct control of such a third party, such as a **printed label from a postage meter, does not constitute proof-of-shipping**. The following proofs are acceptable:

- A legibly dated U.S. Postal Service postmark
- A legible mail receipt with the date of mailing stamped by the USPS
- A dated shipping label, invoice, or receipt from a commercial carrier

Ship at least one copy with original signatures and two additional copies of your application to:

**Director, ASD
Telecommunications Program, STOP 1550, Room 2844
1400 Independence Ave., SW
Washington, D.C. 20250-1550**

Note: Packages arriving at USDA via ordinary first-class mail (USPS) are irradiated, which can damage the contents. We encourage you to consider the impact of this procedure in selecting your shipping method.

D. How to Submit an Electronic Application

In past years, applicants attempting to use the Grants.gov website near the application deadline have experienced technical difficulties and delays. In conversations with these applicants, it has become clear that they believe that Rural Development prefers and gives preference to electronic applications. We want to assure applicants that our providing an online application method is intended as a convenience for applicants. Paper and electronic applications receive equal consideration and you should use the method you prefer.

Applications are to be presented in the format described in this *Guide*. You should be aware that the grants.gov site breaks your application into multiple files, which we must reassemble. We ask that you identify each page of an electronic submission with a Tab identifier and page number, as if you were submitting a paper application, so that it is absolutely clear where you intended each page to go in the assembled application.

If you plan to use electronic submission close to the application deadline, we urge you to have an alternative plan for physical shipment of your application in the event you experience technical difficulties with the Grants.gov site. Delays caused by Grants.gov in accepting your application do not constitute a basis for submitting your application after the deadline.

2009 DLT Grant Application Guide

We accept electronic applications submitted by the deadline though we may request original signatures on paper later. Use the Federal government's e-grants web site (Grants.gov):

www.grants.gov

Allow yourself plenty of time. **If you want to submit an application on-line, we strongly encourage you to obtain all the necessary sign-ups, credentials and authorizations well in advance of the application deadline.** You will need a Central Contractor Registry (CCR) registration before you can submit electronically. In addition, Grants.gov requires some one-time credentialing and online authentication procedures. These procedures may take several business days to complete.

Please follow the instructions at Grants.gov. If you experience a technical problem retrieving or submitting an electronic application, make the Grants.gov customer support resources your first stop (click the "Customer Support" tab on any page of Grants.gov to get started). Grants.gov is operated by a Federal Agency that is not part of the USDA. The DLT staff has no control of Grants.gov. Neither does it have specific knowledge of how the process works or ability to assist with technical problems.

Section III - Application Process

A. Review Process

The Agency reviews each on-time grant application for completeness to determine whether it includes all items required by the regulation. If the application is complete, the applicant will be so informed.

Applications are evaluated for eligibility and scored on information submitted by the application deadline. Information concerning eligibility and scoring submitted after the application deadline will not be solicited by the Agency or considered. Applications that do not meet the minimum set of requirements as specified in the relevant rules (7 CFR 1703 and the 2009 Notice of Solicitation of Applications) and as elaborated upon throughout this *Application Guide* will be returned as ineligible along with a letter explaining the determination.

In cases where we have minor questions about an item, we may request clarification. Also, missing information not necessary for determining eligibility or scoring, but necessary for the award of a grant will be requested. The applicant has fifteen calendar days to deliver a response to this request. If that response is satisfactory to the Agency, the applicant will be informed that its application is complete. If not, the application will be returned as ineligible.

B. Appeal Process

If your application is eligible and upon completion of the scoring process, the Agency will notify you in writing of your preliminary score. We will also include an estimate of the minimum score necessary to receive a grant. We stress that this threshold score for funding is an estimate that can go up or down depending on several factors including appeals (as described below) and budgetary factors that cannot be known with certainty at the time the estimated score is reported to you. If your preliminary score is below the threshold, it does not mean that you have been denied a grant. Conversely, if your score is above the threshold, it does not ensure that you will receive a grant.

You have the right to appeal your preliminary score. For an appeal to receive consideration, you must **deliver your written appeal into our hands within ten calendar days** of the date of our correspondence informing you of your preliminary score. We cannot consider information that was not part of the application as submitted by the deadline so do not submit such additional information in support of your appeal.

Appeals of Objective Scores -To be successful, the applicant must demonstrate that the Agency made a scoring error based on the application as submitted by the deadline. In general, this means that the appeal of an objective score is more likely to result in a scoring change. This is

2009 DLT Grant Application Guide

because objective scoring is based on objective data. If the applicant can demonstrate an error on our part in evaluating the objective data in the application, the appeal will be successful.

Appeals of Subjective Scores - An applicant is free to appeal a subjective score, but it should be aware that such an appeal is much less likely to be successful. As the name suggests, subjective scores are based on the subjective reaction of our scoring teams to the supporting arguments made in the application. Just as in the review of a football play by the replay officials, it takes indisputable evidence to alter a scoring judgment made by the subjective reviewer. Not only are these scores subjective, they are also relative, in the sense that each application is scored in comparison to other applications in the competition. Without knowledge of how the other applicants made their case and how the supporting documentation in your application compares to that submitted by others, it is difficult for an applicant to demonstrate scoring error on our part.

C. Grant Awards

Following the appeals process, we rank applications by their final scores. Applications are selected for funding based on scores, availability of funds, and 7 CFR 1703.127.

Regardless of the number of points your application receives, the Administrator may take any of the following actions:

1. Limit the number of applications selected for projects located in any one State during a fiscal year. (This authority allows the Administrator to limit awards to any one state. It does not allow the Administrator to make awards in other states regardless of score.)
2. Limit the number of selected applications for a particular project.
3. Select an application receiving fewer points than another application if there are insufficient funds during a particular funding period to select the higher scoring application. If the Administrator makes this kind of selection and it affects your application, we will provide you an opportunity to reduce the amount of your grant request to the amount of funds available.

Section IV - The Complete Application

Tips:

- **An application that does not include each required item listed in this section cannot be evaluated and will be returned as ineligible. An application that does not include required scoring information will be scored as is.**
- **Certain aspects of this competition may require you to respond to us by a deadline based on the date of our correspondence.** Response deadlines are not extendable under any circumstances. **Please make absolutely certain that**

2009 DLT Grant Application Guide

you provide complete and accurate contact information so that we can contact you promptly by fax rather than by conventional mail. Also, should any of your contact information change after you submit your application, such as your address or contact person, please inform us of the change.

- It is important that the person who signs the Standard Form 424, *Application for Federal Assistance*, document his or her authority to do so. For example, the Director of Information Systems at a school may have the authority to obligate the school system, but in most cases, we have no means of confirming this authority, or even of determining if the title shown on the SF-424 is correct. It is crucial that the person who signs the SF-424 properly document his or her authority as described in the instructions for Block 21, which you will find in the *Toolkit*.
- Before you begin to work on your application, read the entire *Application Guide* including the *Toolkit* so that you have an overall sense of what is expected.
- Use the 2009 *Grant Application Guide Toolkit (Toolkit)*. It contains all the forms, worksheets, and sample certifications that you will need to assemble your application. **Do not ignore guidance on the worksheets. It is there to help ensure that you provide all the required information. Remember that with respect to information necessary for determining eligibility and scoring, we will not solicit or consider any such information that is submitted after the application deadline.** In addition to being included with the printed version of the *Application Guide*, you can find the *Toolkit* at the DLT Web site.

www.usda.gov/rus/telecom/dlt/dlt.htm

- When you prepare your application, **try to imagine that you are the Agency reviewer** responsible for making certain that the competition is fair and that the federal funds designated for this program accomplish the goals of the program. In every section, **provide the level of detail and support that would satisfy you** if you were that reviewer. For example, reviewers are unlikely to have first-hand knowledge regarding your specific locale or circumstances so always provide source documentation to substantiate the information in your application.
- Remember that scoring of the application is based in large part on who benefits. Do not, for example, try to make your project appear to have more rural impact by excluding urban end-users that will benefit. **Pay careful attention to the sections in the application guide on apportioning benefit.**
- Avoid upholstering your application with generic information concerning the value of distance learning or telemedicine (such as magazine articles and web page printouts). We are well aware of how these technological solutions can benefit rural areas. Concentrate instead on the specifics of your project.
- Remember that only rural areas qualify for this program and other applicants will share the general characteristics of rural areas with you. You are not trying

2009 DLT Grant Application Guide

to distinguish yourself from the cities and the suburbs. Concentrate instead on the specifics of your rural area.

- **To be considered, information must be included under the proper Tab of your application (as described below in *Putting It All Together*).** Place all of the information supporting a scoring category together in the section of the application that responds to that category. **Applications are to be presented in the format described in this *Guide*.** Submit your application package in a properly tabbed three-ring binder. If you submit electronically, place the Tab identifier and page number on each page of the application, as if it were a physical application, so that we can assemble your application the way you intended.

A. Standard Form 424 and Attachments

SF-424

The SF-424, (Standard Form 424, *Application for Federal Assistance* is required to apply for DLT grants. We use the latest version of the SF-424, which is the version prescribed by the Office of Management and Budget Circular A-102. It carries a date of October 2005. We have reproduced the form and included a copy suitably adapted to paper applications in the *DLT Toolkit*. We have combined the general instructions provided by OMB along with specific Agency instructions into one set, marking through the OMB instructions that do not apply to the DLT Program. These instructions follow the SF-424 in the *Toolkit*.

Place the completed SF-424 under Tab A of your application, along with the *Site Worksheet* and voluntary survey described below. The worksheet and survey are also included in the *Toolkit*.

Attachments to the SF-424

There are two attachments to the SF-424. One is a *Site Worksheet* (required) and the other is a *Survey on Ensuring Equal Opportunity for Applicants* (optional). With regard to some of the information requested on the Site Worksheets, please note that the Census web site has a wealth of data beyond that described under E-1, *Rurality*, in Section IV of this guide. For example, the same mapping tool we instruct you to use to show Census Population Data can display school and congressional districts among many other things.

Site Worksheets - Complete identification of project sites is central to our ability to evaluate and score your project. The space provided for this information on the SF-424 is insufficient for DLT projects which by their nature generally involve multiple sites. We have created two *Site Worksheets* to provide extra space, one for traditional fixed-site projects (such as for schools or hospitals), the other for non-fixed sites, (such as a visiting nurse project).

You will attach the *Site Worksheet* appropriate to your type of project. The worksheets have been designed not only to provide additional space to respond to the information requested in Blocks 14, 15, & 16 of the SF-424, but also to link the project as described there directly and specifically to the project as described throughout the balance of the application package.

2009 DLT Grant Application Guide

With regard to the application process, there is no administratively practical way to score a project that combines fixed and non-fixed sites. As a consequence, we must require that applications are for one or the other, *i.e.*, either exclusively for fixed sites or exclusively for non-fixed sites.

Fixed Site Worksheet

If your project operates at fixed sites, you will use the *Fixed Site Worksheet* that is provided in the *Toolkit*. Complete that *Worksheet* and place it directly behind the SF-424 under Tab A of your application. Include every site involved with your project (*e.g.*, hub, hub/end-user or end-user) regardless of whether grant or match funds will be expended at that site or whether the sites are included in your estimated scores. **Applications that do not provide all of the site information requested on the *Site Worksheet*, and which do not use the set of sites described on that worksheet consistently throughout the application, cannot be evaluated or scored and, as a consequence, will be returned to the applicant as ineligible.**

For each site (hub, hub/end-user, or end-user), show:

- The complete and formal name of the site. If you wish to use an abbreviation, show that abbreviation and use it consistently throughout the balance of the application.
- Positive Identification of the Site Location. As the applicant, you know where your sites are located. For us to verify your *Rurality* score, you must provide us with unambiguous evidence of that location. In some cases, the Census mapping tool will locate a site based on its street address. Data from the Census' *Fact Finder* website is required to document your estimated *Rurality* score. See "E-1 Rurality" in Section IV of this *Application Guide* for more detail about the *Fact Finder* site and about completing the *Rurality Worksheet*.

factfinder.census.gov/home/saff/main.html?_lang=en

However, the Census mapping software does not provide a positive location in the way that other sites do, say, by placing a star at the address. Also, the Census site sometimes does not properly center the map on the address. That is why we ask you to place a copy of the census map in your application with a pen and ink entry of the site's exact location. When there is any doubt, consider supplementing the Census Map with one from Mapquest or Google Maps. Other maps from local governments can sometimes be useful supplements to the Census Map for positively identifying a site location.

However, none of these resources are completely accurate or 100% current. For example, a new school may show up on the aerial view from Mapquest as a vacant field. If you cannot correctly, positively, and unambiguously identify a site location with one of these resources by address, provide us the latitude and longitude of the site location in Degrees, Minutes, and Seconds (DD/MM//SS) or decimal form (DD.DDDD) and explain any ambiguities. Latitude and longitude can be determined from mapping software as well as many publicly available sources including, for example, websites hosted by Northern Arizona University, topozone, and mapquest:

jan.ucc.nau.edu/~cvm/latlon_find_location.html

www.topozone.com

www.mapquest.com/maps/latlong.adp

2009 DLT Grant Application Guide

Remember, we must know the exact location of every site. If the only address you provide is a PO Box, Star Route, Rural Route, or other address not locatable on a map, you have not provided a verifiable site location.

- The applicant's designation of the type of site, *i.e.*, a pure hub, a combination hub/end-user, or a pure end-user. The distinction between a hub and a hub/end-user is important because pure hubs are not included in the *Rurality*, *NSLP*, or *EZ/EC* calculations. As a consequence, their inclusion or exclusion can have a significant effect on the applicant's score. See D-1, Telecommunications System Plan & Scope of Work, in Section IV of this *Application Guide* for details on how to categorize sites in your application. Remember that we start our review of an application with the presumption that most hubs are actually hub/end-users. To designate a site as a pure hub, the applicant must provide a convincing demonstration that no benefits flow to the site or to users at that site. The Agency will review the evidence provided by the applicant to determine whether the site is a pure hub or a combination hub/end-user. If the latter, we will include that site in the appropriate scoring categories. For this reason, we recommend that you provide population and NSLP data for every site including sites that you believe are pure Hubs so that we can correct these scores if necessary.
- The County, School District, and Congressional District in which the site is located.

Non-Fixed-Site Worksheet

If your project is for non-fixed sites like the service territory of a visiting nurse association, use the *Non-Fixed Site Worksheet*. Complete that *Worksheet* and place it directly behind the SF-424 under Tab A of your application. Non-fixed site projects are evaluated over the entire official service area. To be eligible for grant funding, a non-fixed site project must have an officially defined service territory that can be unambiguously represented on a map. **Applications that do not provide all of the service territory information requested on the *Site Worksheet*, and which do not show a consistent service territory throughout the application cannot be evaluated or scored and, as a consequence, will be returned to the applicant as ineligible.**

For the service area of the non-fixed site project:

- Provide a succinct, but thorough, narrative description of the territory in the space provided. Attach a map showing the official, defined boundary. (If your organization does not have a defined boundary, we cannot evaluate the *Rurality* score, which makes it impossible to determine eligibility.) In the past, applicants have not always provided sufficient information for us to evaluate their project. For example, some applicants provided hand drawn maps or vague word descriptions such as "most of County A and part of County B." Just as with a physical site application, we must be able to precisely determine your service territory in order to verify your score. To do that, we need a precise and complete identification of your service territory.

Remember that this must be the official service territory as demonstrated by public information such as a description in your organizing documents. If you serve all of Lakeview County as chartered by the County, and your website says you serve Lakeview County, the map of your service territory should reflect that you serve the entire County.

2009 DLT Grant Application Guide

- If the service is operated out of one service center, a hospital or ambulance garage, show the complete street address of this site. (The address must be one which can be verified as previously described. See the bullet “Positive Identification of the Site Location” above under the heading “Fixed Site Worksheet” for information on providing this address.) If it is operated out of several centers, show the precise address of each such site and describe in the narrative whether the service territory is served jointly or is divided into specific autonomous regional operations. If the latter, show the service territory boundaries of each autonomous region.
- Show each County, School District, and Congressional District in the service territory that will be served by the grant project, whether in whole or in part.

Not-For-Profit Survey - The Federal government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. In order for us to better understand the population of applicants for Federal Funds, we are asking not-for-profit private organizations (excluding public universities) to fill out a survey. You will find a copy of the Survey Form in the *Toolkit*. Place the completed form in a sealed envelope behind the SF-424 and the appropriate *Site Worksheet* under Tab A of your application. Information provided on the survey will not be considered in any way in making funding decisions and will not be included in the Federal grants database. While your help in this data collection process is greatly appreciated, completion of the survey is voluntary.

B. Legal Eligibility - Legal Existence - Authority to Contract

Note: Use care in preparing this information as it goes directly to your eligibility to apply. This is especially true for applicants whose legal name differs from its public name or whose legal name or status has changed in recent years.

You must provide evidence with respect to your legal eligibility, legal existence, and legal authority to contract with The United States Government (See 7 CFR 1703):

1. **Legal Eligibility:** An applicant must be legally organized as an incorporated organization or partnership, an Indian tribe or tribal organization, as defined in 25 U.S.C. 450b (b) and (c), a state or local unit of government, a consortium, or other legal entity, including a private corporation organized on a for-profit or not-for-profit basis. **Evidence of tax status from the Internal Revenue Service or a state department of taxation is not evidence of legal eligibility.**
2. **Legal Existence:** You must provide us with acceptable evidence of your legal eligibility. Such evidence includes a certification as to legal existence from the Secretary of State in the applicant’s state of incorporation, a certified copy of the applicant’s Articles of Incorporation, or a copy of the state or local statute establishing an applicant. **Evidence of tax status from the Internal Revenue Service or a state department of taxation is not evidence of legal existence.**

2009 DLT Grant Application Guide

3. Legal Authority to Contract with United States Government: You must provide written evidence of your legal authority to contract with the Federal Government. Such evidence includes a copy of the applicant's bylaws or Articles of Incorporation, applicable state or local statutes, a resolution from the applicant's board of directors, or an opinion of counsel showing that the applicant has the legal power to contract with the government. The provision of such a document in and of itself, a copy of the applicant's bylaws for example, does not provide evidence of the authority. The document text must make specific reference to the authority. Evidence of recent federal grants or other contracts with the federal government do provide this evidence. If a consortium lacks the legal capacity to contract, each individual entity must contract with RUS on its own behalf.

For example, some applicants have provided evidence that a related entity such as the school board has legal authority to contract with the Federal government. Such evidence does not demonstrate the legal existence of the school district that is the applicant or of the school district's ability to contract with the government. **Applications that do not demonstrate both the applicant's legal existence as an entity that is eligible to apply for a grant and its legal authority to contract with the United States Government will be returned as ineligible.**

C. Executive Summary

The Executive Summary gives reviewers their first overall view of the project area, the problems that residents face, and how the proposed project will address those problems. This is your opportunity to discuss the core aspects of the project. It should contain a **concise** description of the project including:

1. **A two paragraph abstract** that describes your project in a nutshell. Think of how you would describe it in a letter to your congressional representative or how you would want to see it described in the newspaper.
2. A general **overview** of the telecommunications system to be developed, including the types of equipment, technologies, and facilities proposed.
3. A description of the participating sites (hubs, hub/end-user, and end-user) or service territory (for non-fixed site projects) and the number of rural residents who will be served at each hub/end-user or end-user site. The sites (for fixed-site projects) or service territory (for non-fixed-site projects) must be consistent throughout your application including the SF-424, the *Telecommunications System Plan*, the *Budget*, the *Rurality Worksheet*, and the *NSLP Worksheet*. If your sites or service territory are not consistent throughout the application, your application will be returned as ineligible. See D-1, *Telecommunications System Plan & Scope of Work* in Section IV of this *Application Guide*, for extended discussion of how to categorize sites in your application.

DLT Grants cannot be awarded to projects that duplicate facilities. If any of the sites or service territory in the project as described in the application are part of another application in FY 2009 or were part of a project funded in the previous two fiscal years (2006 & 2007), provide a brief description of the relationship between or among the projects. In particular,

2009 DLT Grant Application Guide

discuss how match and grant funding for this project, if approved, would complement previous efforts. Provide a more thorough discussion of project overlaps in the *Telecommunications System Plan*, as described below. In the absence of an explanation, overlaps in projects are assumed to be duplication and as a consequence, proposed grant and match budget may be adjusted to remove such duplication.

4. A description of the **types of distance learning or telemedicine services** proposed and whether those services will be offered via a fixed-site project or to a service territory where the sites vary over time, such as a home health monitoring service. Remember that DLT projects must propose specific projects to provide distance learning and/or telemedicine to specific people. The DLT Program does not fund speculative proposals, i.e., the purchase of equipment or software whose function will be determined later.
5. An explanation of **how the project will address community needs, why your organization requires financial assistance**, and how the project **benefits rural residents**. A summary of the total project cost including a breakdown of the grant requested, the proposed match, and any other financial assistance required for purposes that are ineligible for grant or match but which you feel are necessary for the project.

D. Project Information

Eligible Grant Purposes are Identical to Eligible Match Purposes

In other words, to be considered as eligible matching funds, cash and in-kind contributions must go toward items which would be eligible for grant funding if included as part of a grant request.

All items to be funded with match or grant must be obtained from an organization other than the applicant or other entities participating in the applicant's DLT project as hubs, hub/end-users, or end-users, i.e., items must be procured from a third party. In the *Application Guides* of years prior to 2006, third party procurement explicitly applied to category 2 (acquiring instructional programming) and category 3 (technical assistance and instruction) items because it was in these categories that applicants had requested to provide the items themselves. However, the logic that leads to this restriction for category 2 & 3 items applies equally to category 1 (equipment).

There are a number of regulatory requirements that make this the only practical way to administer the DLT program:

1. Salaries and administrative costs of the applicant are not an eligible purpose. If an applicant is also a vendor, it is administratively impossible to determine if the applicant's salaries and administrative costs are part of the vendor's selling price.
2. Items acquired before the application deadline are not eligible for grant or match. If the applicant is selling facilities to itself, we have no way to determine when the facilities were obtained.
3. Should a grant be made to an applicant, grant and match are administered on the basis of invoices from and purchase orders to third-party vendors. When the applicant obtains facilities from a third party, it is in the applicant's interest to obtain the lowest price and the

2009 DLT Grant Application Guide

invoice is evidence of the actual price. If the applicant is selling facilities to itself, we lose the assurance of reasonable pricing that third-party procurement provides.

Note: A vendor is eligible to participate in a DLT project either as the applicant or other participant. However, actual advances and reimbursements of grant funds, and crediting of matching funds, will be based on invoices submitted to the vendor from an entity not participating in the project - in other words, what the vendor pays for the equipment, not what it charges to others.

Eligible Purposes for Grant and Match

As you will see as you review the eligible purposes described below, the DLT Grant Program is primarily focused on providing equipment that operates via telecommunications to rural end-users of telemedicine and distance learning. It is useful to keep in mind that while the equipment is eligible, it does not fund the telecommunications that connects that equipment. In other words, it does not fund communications links between sites (wireless or wireline) and it does not fund telecommunications or Internet connections.

Remember that all equipment and services must be obtained from entities other than the applicant. By applicant, we mean the organization that signed the SF-424 and the organizations that have sites in the DLT project whether their participation is informal or part of a formal consortium.

Grants (and eligible matching funds) can be expended only for the costs associated with the original capital assets associated with the project. There are three categories of eligible purposes:

1. The first includes acquiring **eligible equipment**. The following are examples of eligible equipment. This list is not exhaustive. Neither does it convey blanket eligibility. Remember that the purpose of the DLT Grant program is to deliver education or medicine between remote sites via telecommunications, not simply to furnish educational or medical technology. For example, applicants will sometimes argue that all proposed equipment is eligible because it is used 100% of the time to provide medical services. This is not always true. To be eligible, it must be providing medical services that meet the grant definition of telemedicine, *i.e.*, via telecommunications between remote sites, not within one facility.
 - Computer hardware and software
 - Audio and video equipment
 - Computer network components
 - Terminal equipment
 - Data terminal equipment
 - Interactive audio/video equipment
 - Original Equipment Manufacturer (OEM) or OEM authorized extended warranties on eligible equipment up to the 3 year life of the grant
 - Inside wiring

2009 DLT Grant Application Guide

In general, equipment not electronically interconnected to the grant and match funded equipment is not eligible. **The application must demonstrate both that the predominant purpose (50% or more of use) of every line-item in the grant and match budget meets the DLT Grant definition of distance learning and/or telemedicine, and further, that none of the use is for ineligible purposes. If not the primary purpose (less than 50%), the applicant can propose that a portion of the line item be budgeted for grant or match based on the proportion that does provide distance learning or telemedicine. (See D-1, *Telecommunications System Plan & Scope of Work for more detail on apportioning DLT project benefit.*)**

2. The second provides for **acquiring instructional programming** that is a capital asset (including the purchase or lease of instructional programming already on the market). Expenses (such as those for tuition, fees for coursework on a per course basis, or fees for cultural events or virtual field trips) are not capital assets. As such they are not eligible.
3. The third includes **technical assistance and instruction for using eligible equipment** (TA&I), including any related software; developing instructional programming (including the development and modification of an existing instructional programming package); and providing engineering or environmental studies relating to the establishment or expansion of the phase of the project to be financed with the grant. The costs for **this category cannot exceed 10% of the grant amount requested or 10% of the eligible matching funds.**

Ineligible Purposes for Grant or Match

None of the following purposes are eligible (see 7 CFR 1703.123):

- Salaries, wages, or employee benefits to medical or educational personnel.
- Salaries or administrative expenses of the applicant or the project including overhead costs. Administrative expenses of the applicant include the normal costs of operation. For example, software designed to keep track of student attendance or hospital billing is an administrative expense, not a function of distance learning or telemedicine. Another example is operational supplies such as paper, blank CDs, or spare ink cartridges. So is rental of space, the cost of utilities, and maintenance, except for OEM extended warranties as described above under eligible purposes. Some Federal grant programs allow a percentage of funding for overhead costs. This is not an eligible DLT purpose.
- Acquiring, installing, or constructing telecommunications transmission facilities. DLT projects are intended to deliver education or medicine between remote sites via telecommunications, but they do not cover the transmissions facilities themselves. DLT eligible purposes end at the terminal equipment that connects to a transmission facility.
- Recurring or operating project expenses or costs such as fees for telecommunications, Internet, electric service, rent, or tuition. (Leases to obtain equipment as described above (under **Eligible Purposes for Grant and Match**) are not considered recurring costs.)

Each year applicants request funding for such things as wireless transmission systems or include costs for Internet Access or other types of “connectivity.” As the previous two bullets show, DLT Grants fund equipment that operates via telecommunications, but it does not fund the telecommunications itself, either through transmission equipment or purchased connectivity. These are not eligible purposes for grant or match.

2009 DLT Grant Application Guide

- Medical equipment not having telemedicine as its essential function.
- Purchasing equipment that will be owned by a local exchange carrier or another telecommunications service provider *unless* that service provider is the applicant. Remember that entities financed through loans from Rural Development Utilities Programs are not eligible for DLT grants.
- Duplicating facilities already in place which provide distance learning or telemedicine services.
- Reimbursing your organization or others for costs incurred prior to the date we received the completed application. For administrative convenience, we assume that date is the last possible date for submission, the application deadline for this year's program.
- DLT application preparation costs.
- Projects that only provide links between people located at the same physical facility. This includes projects where several facilities are involved, but all the links are within each facility. For projects that do not meet the DLT Grant Program definition of distance learning or telemedicine, organizations should consider the DLT Loan or the Combo Grant/Loan Program. In the lending programs, the definition of Distance Learning and Telemedicine is less specific to the delivery of services via remote sites by telecommunications.
- Site development including destruction or alteration of buildings. Equipment specific modifications needed for the project to work such as soundproofing and lighting for a video conferencing room are eligible. Building an addition, knocking out walls, or replacing an electric service are not.
- Purchasing land or buildings or for building construction.
- Projects located in areas covered by the Coastal Barrier Resources Act.
- Any other purposes not specifically contained in 7 CFR 1703.121.
- Any other purpose that the Administrator has not specifically approved.
- **Except as otherwise provided in 7 CFR 1703.112, grant funds shall not be used to finance a project, in part, when success of the project is dependent upon the receipt of additional financial assistance under Part 1703, Subpart E, or is dependent upon the receipt of other funding that is not assured.**

Eligible Purposes – Special Discussion about Electronic Medical Records (EMR) and other technologies such as Picture Archive Communications System (PACS)

Because the subject of this discussion concerns telemedicine technologies, the following will be restricted to that subject, but similar principles govern our administration of distance learning technologies.

The Distance Learning and Telemedicine (DLT) Program is administered through three funding options – a 100% grant, a mixture of loan and grant, and a 100% loan. Each option is tailored to balance rural benefit and the cost to the government. In the 100% Grant Program, we have implemented the statutory guidance by strictly targeting them to projects that extend and improve the delivery of medical benefits into rural areas using the unique capabilities and

2009 DLT Grant Application Guide

efficiencies of telecommunications to link medical providers and patients who are not at the same facility.

We do this because it provides the greatest medical benefit to rural people through reduced travel time and access to services previously unavailable close to home, thus mitigating the effects of distance and low population density. Not every medical technology provides telemedicine as defined and implemented under the 100% Grant Program. Some technology improvements, such as replacements of physical records or analog technologies, do not meet the grant definition, or do so only in part.

In short, the focus is on the patient, not the provider. While we recognize that technology that benefits the doctor or hospital may trickle down to the rural person, we look for more direct benefit under the grant program to maximize the medical benefit delivered by each grant dollar. For example, we implemented the statutory direction not to fund “administrative expenses” of the applicant in the strictest sense. That is, we exclude from eligible grant and match purposes all facilities except those that are clearly and unambiguously for the purpose of medical care.

Also, in line with this targeting of grant funds to provide the greatest medical benefit to rural people, the 100% Grant Program specifically prohibits funding projects for communications within one site (which we refer to as “on campus” systems) because there is little direct benefit to the rural person. If that person had to drive to the site before the project was implemented, that person would still have to drive there after the project is built.

Electronic Medical Records - The fundamental purpose of electronic records is to replace physical records. The purpose of such records is, at least in part, for things such as billing and scheduling. EMR is marketed largely on this capability. Following the strict implementation of the statutory direction appropriate to the 100% Grant Program as described above, we consider billing and scheduling as examples of administrative functions of a medical facility, and therefore, an administrative expense of the applicant. As such, they are not eligible for funding under the 100% Grant Program.

In addition, the overwhelming use of EMR for medicine will be between a medical professional and a patient within the same facility and little will be for transfers of records taken at one facility so as to benefit a patient at another facility. It is of little benefit to a rural patient whether the records consulted by the medical professional are paper, electronic stored at that site, or electronic stored elsewhere, if they are collected and used at only one facility. This simply amounts to communications within a site, which is not an eligible purpose under the 100% Grant Program.

This is not to say that EMR never provides telemedicine or that we will never fund it under the Grant Program. We recognize that EMR allows for telemedicine to occur, such as when a patient visits an emergency facility that is not the usual place to which that patient goes for medical care. We also recognize that there will be growing use of EMR for telemedicine as time goes on. While EMR allows for telemedicine, it is unlikely that the use of EMR will ever be primarily for telemedicine as defined and implemented under the Grant Program, and we feel it would not be a prudent use of scarce grant funds, to fund in full or to credit in full as match, items which only provide a small percentage of such benefit when there are projects that do meet the grant definition and have a greater impact on improving rural lives.

The concerns about whether equipment meets the grant definition of telemedicine apply to other technologies. PACS and various technological replacements of earlier technology often have a

2009 DLT Grant Application Guide

predominant “on-campus” benefit. For example, when a hospital replaces its analog radiology facility to PACS, there may be little or no use that meets the grant definition of telemedicine because it is just a change from film to electronic storage with no medical benefit flowing through telecommunications to a remote site. Applicants must thoroughly address how their project will provide telemedicine that meets eligible purposes under the 100% Grant Program definition of telemedicine, not just medical care.

EMR Under the Grant Program - In 2009, entire EMR systems remain partially fundable based on a credible demonstration of the portion that meets the grant definition of telemedicine as described above and elsewhere in this guide. We also will consider funding specific pieces of EMR systems that provide service that meets the Grant Program definition.

EMR Under the Loan and Combo Programs – (At the time this document was prepared, there is no Budget Authority for the Loan and Combo Programs. Should that Authority be established, the Programs will be implemented as described here.) In FY 2009, entire EMR systems are fully eligible under the Combination Loan/Grant Program. This is partly because “on campus” facilities are an eligible purpose under the Combo Program. Also, we implement the DLT Loan Programs (Combo and 100% Loan) differently than the 100% Grant Program. In the Loan Programs, features that are not exclusively medical but that are indirectly related to and very useful in the delivery of medical care are not considered administrative costs of the applicant. Thus a feature such as scheduling is an eligible purpose under the Combo Program. Another feature of the Combo Program is that it is operated on a first-come, first-served basis, not as a competition. Because EMR is a better fit in the Combo Program, and in support of the President’s Electronic Medical Records Initiative, we will continue special grant provisions for EMR in the 2009 Combo Program.

In 2009, EMR system Combos will consist of \$1 of grant for every \$4 of loan (instead of \$1 of grant for every \$9 dollars of loan, as will be done in the balance of the Combo Program). In other words, twenty percent of the eligible project total funding can come from grant funds up to a maximum project of \$1 million (\$200,000 in grant, \$800,000 in loan). For more detail on this and other DLT loan programs, please refer to the *FY 2009 Loan and Combination Loan/Grant Application Guide*, which will be made available shortly after we publish the Notice of Funds Availability (NOFA) in the Federal Register establishing the FY 2009 grant and loan amounts, assuming that the Agency receives Budget Authority for these Programs.

D-1. Telecommunications System Plan & Scope of Work

A Telecommunications System Plan (TSP) is required as part of a complete application. The TSP provides the reviewer with a thorough understanding of the project. The TSP in tandem with the *Budget* is the foundation of the application and should be prepared with great attention to detail. In particular, it shows the sites (hubs, hub/end-users, or end/users) that will participate in the project and shows where the equipment will be located. In addition, the TSP shows how the equipment is interconnected and how it accomplishes the distance learning or telemedicine purposes of the project. Before getting to the details of how to present your TSP and Scope of Work, we will address two subjects that are part of that process: Categorizing Sites and apportioning DLT Project Benefit.

Categorizing Sites

Program Purposes – The clear intent of the DLT Program as envisioned in the legislation establishing the Program and regulation which implements the Program (7 CFR 1703) is to benefit rural areas (20,000 or less). Scoring is based in large part on the beneficiaries of the project, *i.e.*, the end-users. In particular, the *Rurality* and *NSLP* scores are directly tied to the end-users. It is important to note that the definition of “end-user” in the regulation envisioned only rural facilities such as rural elementary, secondary, and other educational institutions; rural hospitals, primary care centers, or other rural community facilities. We encourage applicants to bear this in mind and limit their projects to rural end-users. **While we recognize that applicants may desire to include urban (> 20,000) end-users in their project, the Agency reserves the right to evaluate the benefit that flows to urban areas and reduce grant and match funds budgeted for the benefit of urban end-users when that benefit is not necessary to benefit rural end-users or incidental to the benefit to rural end-users.**

It is important that the end-users on which the application is scored are an accurate representation of who will benefit from the grant and match funds. For example, if grant or match funds will benefit an urban site, that site must be accounted for in the scoring and budget. This is true even if no grant or match funds are expended at the urban site, but the site benefits from grant or match funds expended elsewhere, say at a Hub facility that serves them. If you wish to exclude an urban site that will benefit from the project because of its potential to reduce a score, you will also need to remove any funds from the grant or match budget that benefit that site. Conversely, imagine an interconnected system of 30 sites, but where the proposed budget and project benefits will go to just four of those sites. The *Rurality* score should be an accurate reflection of the rural benefit of the project. Do not include the other 26 sites to gain a better score merely because they are interconnected.

Tip - Do not attempt to improve your score by not mentioning sites that will benefit from your project. If your organization has 20 locations, and you do not include them all in the scoring calculations, address why you chose not to include them. If you do not explain the exclusion, we cannot evaluate whether or not the scores generated by the sites you did include are an accurate reflection of the rural benefit of the project.

Remember, sites (for fixed site projects) and service territory (for non-fixed-site projects) must be consistent throughout your application including this section, the SF-424, the *Budget*, the *Rurality Worksheet*, and the *NSLP Worksheet*. If your sites or service territory are not consistent throughout the application, your application cannot be evaluated and will be returned as ineligible.

HUB - A pure hub receives no benefit of any kind from the project. It is either an electronic connection point or it is exclusively a source of distance learning or telemedicine. Because no benefit flows to a pure hub, we do not include it in the *Rurality* and *NSLP* score. This can be important because Hubs are often located in urban areas.

However, most DLT project hubs are actually hub/end-users as described below and we start our evaluation of an application with that presumption. To be considered a pure hub, the applicant must address its designation of the pure Hub site and convincingly demonstrate that no benefit flows to the hub site or to users at the hub site. In the absence of such a demonstration, the

2009 DLT Grant Application Guide

Agency will make an independent determination and categorize the site based on our overall experience with similar projects. The following are examples of pure hubs, although the third example gives an illustration of a site that would not be funded in its entirety.

Pure Hub Examples:

1. A server is located in a school administration building. The server's entire function is to control distance learning equipment remotely located at each of 15 schools in the district. In other words, it serves as an electronic hub. In this case, the Administration building site is a pure hub. The Administration Building is excluded from the scoring and each of the 15 schools is scored as an end-user.
2. An urban school provides classes to five other schools that are shown as end-users on the *Rurality* and *NSLP Worksheets*. The urban school provides classes to students at the five schools but does not receive any courses from them. The DLT project items placed at the urban school are dedicated to the five rural schools in the project. No grant or match items are used at the urban school to provide courses to or receive courses from within the school or from schools that are not shown as part of the DLT project. The urban school is a pure hub. The five rural schools are scored as end-users on the *Rurality* and *NSLP Worksheets*.
3. A state operated Educational Resource Center serves students at all 804 public schools in the state. No students are served at the Resource Center itself. The applicant proposes to install video conferencing equipment at the Resource Center in order to provide distance learning to seven rural schools. If the applicant can demonstrate that the equipment at the Resource Center is dedicated to and will benefit only the seven schools shown as end-users, it would be an example of a pure hub. The *Rurality* and *NSLP Worksheets* would show the seven rural schools as end-users.

If, however, the Resource Center will use that equipment to provide distance learning to any of the other 797 schools which it serves, the seven schools shown on the scoring sheets as the end-users are not the sole beneficiaries of the grant. All sites that benefit from the project must be accounted for in the scoring and budget even if no funds are expended at some of those sites. If the applicant does not wish to include the other schools that will benefit from the DLT project investment at the Resource Center because of their negative effect on the applicant's score, it is possible that grant and match amounts for the equipment at the resource center can be adjusted in proportion to the usage that can be attributed to the seven rural schools included in the scoring. **See below for detail on apportioning DLT project benefit.**

Hub/End-User - A hub/end-user may perform functions associated with a hub such as electronic switching or origination of content, but it also receives benefit at that site. Hub/end-users are much more common in the DLT Program than pure hubs. A hub/end-user is considered the same as an end-user for scoring purposes. Remember that this program is intended for end-users in rural areas. If you include an urban hub/end-user in your project, the Agency reserves the right to evaluate the end-user benefit that flows to the urban area and may reduce grant and match funds budgeted for the benefit of urban end-users when that benefit is not necessary to benefit rural end-users or incidental to the benefit to rural end-users.

2009 DLT Grant Application Guide

Hub/End-User Examples:

1. A university medical center wants to create a teleradiology system along with seven rural hospitals. The equipment at the university hospital will be used within the hospital and to connect with national centers of expertise for the benefit of patients at the university medical center and the seven rural hospitals. Because benefits flow to the university medical center, it is a hub/end-user and must be accounted for. We recommend that the applicant apportion the end-user benefit to the urban hospital and include funding at the urban site only for the hub function. In such a case, the site would not be included in the *Rurality* or *NSLP* calculation. **See below for detail on apportioning DLT project benefit.**
2. A suburban High School in a Mid-Rural Area houses the server that interconnects itself and three other schools. Video-conferencing equipment is installed at all four schools. The suburban high school and the three other schools both provide classes to and receive classes from other schools in the project. The *Rurality* and *NSLP* Calculations show four hub/end-user sites, the suburban high school and the three other schools.

End-User - An end-user is purely a beneficiary. Grant or match funds do not have to be expended at a site to make it an end-user for scoring purposes. If grant or match funds expended anywhere will benefit users at a site, that site must be accounted for in the scoring and budget. Again, this program is intended for end-users in rural areas. Urban end-users are not eligible for funding, but may need to be included in the scoring because of benefit they receive from funding elsewhere.

End-User Examples:

1. A rural high school will receive foreign language and higher mathematics courses via video-conferencing equipment that is part of the DLT project. These courses will come from a larger high school that is a hub/end-user. The rural school will not provide any classes to others and is classified as a pure end-user.
2. An urban high school that is not included in the grant or match budget. If it will receive distance learning information via the DLT project which is the basis of the grant request, or if grant or match funded equipment will benefit this site, it must generally be shown as an end-user for scoring purposes. If the applicant does not wish to include this site because it would have an adverse effect on the applicant's score, it is possible that the grant and match amounts at other sites could be adjusted in proportion to usage by the end-users included in the scoring. **See below for more detail about apportioning DLT project benefit.**

Apportioning DLT Project Benefit

DLT Grants are intended to reduce the effects of low population density and lack of economic resources by using telecommunications to bring education and medical services to rural areas. In short, the focus is on students and patients in rural areas, not on teachers and doctors or institutional administrators. The scoring system (*Rurality* and *NSLP* in particular) is intended to measure the benefit of the project to rural people by using population and economic characteristics of the end-user sites where the service is provided as a proxy for the rural people the project is designed to benefit. As part of our review of the application, we must make certain that the project actually provides distance learning and/or telemedicine and that the end-users on which the scores are calculated are an accurate representation of who will benefit from the

2009 DLT Grant Application Guide

project. If sites not included in the scoring benefit from the project, they must be accounted for in some manner so that the funding considered for grant and match is proportional to the benefit that goes to the sites on which the application is scored.

For a line-item to be eligible in full for grant or match funding, the application must demonstrate that:

1. None of the use is for ineligible purposes,
2. None of the use is to benefit sites not accounted for in the scoring, and
3. The predominant purpose (over 50% of use) of that line-item is for purposes that meet the DLT Grant definition of distance learning or telemedicine.

If any part of a line-item is for an ineligible purpose, the line-item cannot be budgeted for grant or match. If not the predominant purpose (over 50% of use) or if some of the use will benefit sites not included in the scoring, the applicant can propose that a portion of the line-item be budgeted for grant and/or match. That portion eligible for grant or match is that attributable to the sites on which the project is scored. The balance must come from other funds.

Apportioning Illustrations: How does apportioning benefit work in practice?

Illustration 1 - No Apportioning Needed: In many cases, there will be no need to apportion. Imagine a typical distance learning system in which ten rural schools are equipped with video conferencing classrooms so that they can all exchange classes with each other. None of the video conferencing equipment is used for communications within the school. All the equipment is used for distance learning, *i.e.*, transmitting and receiving classes via telecommunications to and from one of the other schools in the project and none is used to connect to schools not shown as end-users. All ten schools are scored as hub/end-users on the *Rurality* and *NSLP Worksheets*. The DLT percentage of use of the video-conferencing equipment is 100% for distance learning.

Illustration 2 - Ineligible Purposes: Other cases are not so straightforward. Grant and Match funds cannot be used in the DLT Program to fund ineligible purposes. For example, Internet connectivity is not an eligible purpose so it must always be shown as zero percent DLT, regardless of the percentage of time it is used by rural students. Bundling an ineligible purpose with an eligible purpose does not change this. For example, a medical software package might bundle billing and insurance functions along with functions that can be used to provide telemedicine. Administrative costs of the applicant (billing and insurance) are not eligible purposes (**See eligible and ineligible purposes under D, Project Information, in Section IV of this Guide**). In cases like this, have the vendor apportion (break out) the costs of eligible and ineligible purposes so that you can show them as a separate line-items in the budget. The line-item for ineligible purposes must come from other funds - not grant or match.

The apportionment must be reasonable. If a software bundle provides thirty functions, and only one is a DLT eligible purpose, it is not reasonable to suggest that 100% of the cost of the bundle is for the one eligible purpose. The Agency will review the apportionment for reasonableness and may adjust it based on its experience with similar systems. If breakout pricing to apportion the ineligible purposes is not provided, the entire line-item is ineligible and must come from other funds.

Illustration 3 - Purposes that are Neither Eligible Nor Ineligible: In some cases, a portion of a line-item is for a purpose that while not specifically ineligible, does not meet the DLT Grant Program definition of distance learning. Consider a computer that is integrated into a distance learning classroom system. Imagine that it is used 55% of the time for distance learning and

2009 DLT Grant Application Guide

45% of the time for ordinary Internet access and local use such as word processing. This computer has a predominant use of distance learning. The balance of use, Internet access and word processing, does not meet the DLT Grant definition of distance learning, but it is not specifically ineligible. In this case, because the predominant use is for distance learning, the entire computer would be eligible in the grant or match budget.

However, schools routinely purchase large numbers of computers for general use. While connected to the Internet, they may not be integrated into the distance learning functions of the DLT project in any way. In such a case, none of the computer's use can be attributed to distance learning so none of the computer's cost can be included in the grant or match budget. In other cases, the predominant use of the computer is not for distance learning. If a computer is used 5% of the time for distance learning, it is not a good use of scarce grant funds to fund it in its entirety or to consider the entire computer an eligible match. In this case, only the portion attributable to DLT use (5%) is eligible for grant or match. The balance must come from other funds.

DLT % of Use - Reasonable Basis for Apportioning:

The sample budget forms include a column for the applicant to enter the *DLT % of Use*. The percentage entered in this column is to reflect the portion of use that is attributable to eligible DLT Grant purposes of the project, not simply to education or medicine. In other words, if an applicant enters 100% in this column, it is claiming that the item is for a purpose that is 100% eligible, i.e., it is solely for either distance learning or telemedicine between remote sites via telecommunications as discussed above.

The applicant may choose any reasonable method to demonstrate usage, **but this is important, it must demonstrate the basis for that usage, not merely assert it. If an applicant does not address how the percentage was determined, or does not provide a reasonable and satisfactory demonstration, it can expect the Agency to adjust the percentage based on our experience with similar items.** Among the bases for apportioning use would be time of usage or numbers of users. However, as with apportionment of ineligible purposes discussed above, the basis for apportionment must be demonstrated and must be reasonable.

Illustration 4: Consider this hypothetical example. Imagine a type of educational project where every student and teacher is electronically connected to every other student and teacher. Assume that the educational information that flows between students and teachers would meet the definition of distance learning if each student were at a separate site connected through telecommunications. An urban school plans to install this system to serve its 2,000 students at one site. Because it is a single site system that does not connect remote sites via telecommunications, it would not meet the DLT Grant Program definition of distance learning.

If the urban school were to connect 20 rural students at one rural school to their system via telecommunications, the project would acquire a distance learning component. Based on the number of students ($20 \div 2,020 = 0.01$), it would be reasonable to attribute 1% of the investment at the urban school to distance learning and that amount would be eligible for grant or match. The balance would have to come from other funds. If the applicant demonstrated that the rural students will use the system twice as much as the urban students, it would be reasonable based on usage to attribute 2% of the urban site equipment to distance learning. In this case, 2% of the investment at the urban school would be eligible as grant or match. It would not be reasonable to attribute 100% of the equipment at the urban school as benefiting the 20 rural students and seek to fund 100% of the urban school equipment with grant or match.

2009 DLT Grant Application Guide

The situation would be the same for an urban medical center that installs an in-hospital system. A one-site system does not meet the Grant Program definition of telemedicine. If it were to connect one rural clinic, it would add a telemedicine component. If 100 medical professionals use the system within the hospital and only one uses it from the rural clinic, it would be reasonable to attribute 1% of the equipment at the hospital to telemedicine. It would not be reasonable to attribute 100% of the equipment at the hospital as benefiting the one rural clinic and seek to fund 100% of the hospital equipment with grant or match.

Telecommunications System Plan Details

The TSP will aid the Agency in comprehending and evaluating your project. It is crucial that the TSP provide the information in the numbered items below. Keep in mind that the eligible purposes for grant and match are identical and the support information you provide here and elsewhere in the application should be just as thorough and complete whether for items in your grant request or in your proposed match. Remember also, that your application is evaluated for eligibility and scored based on the material submitted by the deadline. Additional information and clarifications not provided as part of the application as received by the deadline will not be solicited or considered by the Agency.

Number and organize your TSP Details as shown below. Include the following:

1. A description of the types of distance learning and telemedicine services proposed and a statement that the project is either for a distance learning or telemedicine purpose. Describe how the project as a whole meets the regulatory definition of distance learning and telemedicine. If the project provides both distance learning and telemedicine services, identify the predominant use of the system.

Remember that **distance learning** as defined by the regulation implies a curriculum with measurable results delivered via telecommunications and stresses the connection of students and teachers at remote sites. Not every use of technology is distance learning. Some examples of technology that in isolation are not distance learning include:

- General computer acquisitions. Computers are becoming ubiquitous general use appliances. For example, it is increasingly common that schools attempt to provide every student a computer, regardless of whether that school has any distance learning in their curriculum. General equipment acquisitions cannot be automatically considered distance learning equipment.
- Wireless connectivity. As with computers, many schools are now installing wireless connectivity. These systems are generally used for internal communications within a facility, not for distance learning. As such they would not be eligible for grant or match funding.
- Attendance software. Attendance is an administrative function. Administrative costs are not an eligible purpose.
- Ordinary access to the Internet, *i.e.*, not part of a structured curriculum obtained via the Internet. Giving a student access to the Internet for “research” is not distance learning any more than giving them access to the library is formal education. The e-rate program is targeted directly at the goal of wiring schools and connecting them to the Internet. The DLT Program is focused on connecting students and teachers at remote locations.

2009 DLT Grant Application Guide

- Providing classroom video monitors that could potentially be used for distance learning throughout a school, but without a demonstration in the application that the applicant has a specific and coherent plan on how to do so.
- Providing computers for word processing, homework, or for improving a student's "technical literacy." These are all worthy goals, but they do not meet the Grant Program definition of distance learning.
- Video-streaming of archived classes recorded at one school and viewed at the same school on a server located at that school. Video streaming of archived material can be a valuable adjunct to a distance learning system, but in isolation it is not distance learning because the transfer does not involve telecommunications between sites. In essence, this is like looking at a video tape, which is not distance learning.

Telemedicine as defined by the regulation implies the delivery of medicine from medical professionals at one site to patients and their medical professionals at other sites via telecommunications. Telemedicine should reflect some benefit to rural residents either in reduced travel time or access to services not otherwise available. If before the technology is installed, the patient visits the doctor's office in a hospital for a consultation, and after the technology is installed, the patient still visits the same doctor's office for a consultation, and the technology doesn't provide any delivery of additional medicine from a remote site, your project doesn't provide any telemedicine or benefit to the rural resident. Some examples that in isolation are not telemedicine include:

- A computerized patient billing system where the physician and patient are at the same site. This fails on two counts. First, the billing system does not deliver medicine. It is an administrative function and administrative costs are not an eligible purpose. Second, even if this function were eligible, the interaction is between doctor and patient at the same site. It is a matter of indifference to the patient whether the billing is manual or electronic. There is no medical benefit delivered to the rural resident in terms of reduced travel time or access to previously unavailable services that occurs through telecommunications.
- Wireless connectivity. This is generally used for internal communications within a facility, not for telemedicine.
- General Technology Improvements - Many technology improvements can have an internal or telemedicine use. For example, Electronic Intensive Care Units are being installed both at rural hospitals for remote monitoring, and at urban hospitals for internal use. The former would be eligible, the latter would not.
- Equipment not electronically interconnected with the equipment that comprises the telemedicine project. For example, a portable computer used for data entry by a medical professional at a patient's home and carried back to another point where the data is transferred to another system. No telemedicine occurs at the home because there is no telecommunications link out of the home.
- Connecting physicians at home so they can attend to paperwork or consult records, but not for use in delivery of medicine from that site to another.

2009 DLT Grant Application Guide

2. A general description of the telecommunications facilities proposed for the project including an explanation of how they will enable the project's interconnection with other networks, if that is relevant. This discussion should cover the entire project, including interconnected sites for which no grant or match funds are budgeted. The discussion should be sufficiently straightforward that a reasonably intelligent but non-expert person would understand how your project delivers distance learning or telemedicine across the system and would also be capable of explaining that operation to another person.
3. **A map and/or a network diagram of the telecommunications system, and how the distance learning or telemedicine equipment relates to that system.** For fixed site projects, each site must be represented on the map/diagram. This representation need not be to scale, but it must be representational of your project, not generic. **An application that does not contain a map/diagram that shows each site cannot be evaluated and will be returned as ineligible.** For non-fixed sites projects, the applicant is to provide a map of its official service territory as part of the *Site Worksheet* under Tab A. Remember that this must be the official service territory as demonstrated by public information. If you serve all of Lakeview County as chartered by the County, do not provide a map showing that you serve only part of that County.
4. A list that can be cross referenced with the map/diagram and the *Budget* of every line-item in the *Budget*. Provide detailed descriptions of each line-item. Both here and in the *Budget*, make certain that the line-items are specific, not lump sums that cannot be evaluated by us as to eligibility or reasonableness of cost. Provide specifics such as the brand and model number, *i.e.*, "VideoKing TX-90," as opposed to "One Video System." **An application that does not include this list and detail cannot be evaluated and will be returned as ineligible.**

Include the following detail for each line-item:

- The percentage of use that can be attributed to purposes that meet the DLT grant definition of distance learning and/or telemedicine and a demonstration of how those percentages were determined. Both here and in the *Budget*, for any portion of the item to be eligible as grant or match, the DLT percentage of use must be greater-than-zero. In particular, all items for ineligible purposes are shown with a DLT % of use of zero percent because ineligible items are never eligible for grant or match. (See page above for more detail about apportioning DLT project benefit. This percentage is entered on the *Overall Budget Worksheet which is discussed below*. Examples are also provided in the *Budget* section.) Remember that to be eligible in full for either grant or match, the predominant use of each line-item must be for distance learning and/or telemedicine and none of the use can be for ineligible purposes. If the line-item will provide any ineligible purpose, no portion of the line-item can be funded with match or grant. For items that provide no ineligible purposes, but where the predominant use does not meet the DLT Grant Program definition of distance learning or telemedicine, only the portion attributable to DLT purposes is eligible for grant or match. The balance must come from other funds.
- The DLT capabilities of all equipment and software that will be provided.

2009 DLT Grant Application Guide

- Information which supports the costs shown in the budget such as vendor quotations. Quotes from multiple sources are recommended and such information is valuable in preparing the *Cost Effectiveness* section (Tab F-4). Include discussion of how the budgetary cost estimates were determined to be reasonable, when the equipment will be obtained, and whether it will be purchased or leased.
5. Documentation of discussions with various technical sources, such as consultants, engineers, product vendors or internal technical experts. Provide detailed cost estimates for operating and maintaining the end-user equipment. Provide evidence that you evaluated alternative equipment and technologies. These types of documentation will also be useful in the *Cost Effectiveness* Category.
 6. A discussion of whether the project will duplicate any adequate, established telemedicine or distance learning services. As part of the application package, you will need to complete a *Nonduplication of Services* Certificate, which is part of the *Toolkit*. **Applications submitted without a certification of nonduplication will be returned as ineligible.**

Previous Grants - In particular, thoroughly discuss any DLT grants received from our Agency in the previous two fiscal years (2007 & 2008) and how they would affect the project proposed in the current application. This applies not only to prior grants received by the current applicant, but to grant funding that may have gone to any of the end-users in the current proposal via a grant received by another entity.

Current Applications - In addition, discuss whether any of the sites in the current project are included as participants in another application for a Fiscal Year 2009 DLT Grant.

In the absence of a thorough explanation, overlaps in projects are assumed to be duplication and as a consequence, proposed grant and match budget may be adjusted to remove such duplication.

7. A description of the consultations with the appropriate telecommunications carriers (including interexchange carriers, cable television operators, enhanced service providers, providers of satellite services and telecommunications equipment manufacturers and distributors) and the anticipated role of such providers in the proposed telecommunications system.

Scope of Work

The scope of work explains what you plan to do. It is your opportunity to make a clear and convincing presentation of how you will achieve the goals of your project. The scope of work completes the picture for the reviewer. It discusses how your organization proposes to proceed with the project, if funded. **An application that does not include a scope of work cannot be evaluated and will be returned as ineligible.** The scope of work must include, *at a minimum*, the following:

- The **specific activities** to be performed under the project.
- **Who** will carry out the activities.
- The **timeframes** for accomplishing the project objectives and activities.

D-2. Budget

Note: The purposes for grant and match are identical and the support information you provide here and elsewhere in the application should be just as thorough and complete whether for items in your grant request or in your proposed match. Remember also, that your application is evaluated for eligibility and scored based on the material submitted by the deadline. Additional information and clarifications not provided as part of the application as received by the deadline will not be solicited or considered by the Agency.

A budget is required. In tandem with the TSP discussed above, the budget is the foundation of your application and should be prepared with great attention to detail. This section shows how to present a budget for your organization's proposed project. Your *Budget* should show each cost as a **line-item** similar to the sample below. **Both here and in the *Telecommunications System Plan*, make certain that the line-items provide item-by-item detail. Do not enter lump sums that cannot be evaluated by us as to eligibility or reasonableness of cost.** Provide detail such as the brand and model number, *i.e.*, "VideoKing TX-90, \$5,600," as opposed to "One Video System, \$75,000 each site" or "Wiring, \$100,000." Remember that we evaluate the entire project so show each site in the *Budget* whether it will be funded with the grant, matching funds, or other funds. Even if a site does not need any funding, enter a placeholder in the *Budget* so that it is clearly identified as part of the project.

As is discussed more thoroughly in **E-3, *Leveraging*, in Section IV of this Guide**, we recommend that applicants propose cash matches and avoid in-kind matches. Cash matches are unambiguous as to value and can be applied against any eligible item in the entire budget.

An in-kind match is harder to value and is specific to the in-kind item proposed. If the applicant cannot demonstrate that the item has an established monetary value or if the item is determined to be ineligible, the proposed match disappears when that item is removed from the grant and match budget.

As a practical matter, there is no compelling reason for an applicant to propose an in-kind match. Any in-kind items will generally be obtained by the applicant with cash after the application is submitted. In other words, when an applicant proposes an in-kind match, it is in effect committing cash with which the proposed in-kind item will be purchased at some point after the application deadline. However, by proposing a specific in-kind item rather than cash, the existence of the match is tied to the eligibility of that item. If that item is not eligible, either categorically or because the Agency finds that it is not integral to eligible DLT purposes as described in the application, the item would be removed from the budget and the proposed match associated with that item disappears. This would reduce the proposed match which can affect the *Leveraging* score and could even make an application ineligible, should the remaining match not meet the 15% minimum required under the DLT Program.

Tip - Describing a match for a specific item as a cash match does not make it so. If matching documentation specifies to which line-items the match must be applied, that proposed match is in-kind, not cash. As such, it should be entered on the *In-Kind Match Worksheet* described below. Remember that the crediting of a proposed in-kind match is dependent on the eligibility of that line-item as discussed above.

2009 DLT Grant Application Guide

Of course, projects typically require resources that are not eligible (see page 20 for a list of ineligible purposes) for grant or match funding and, as a result, are not part of the eligible costs described above. Costs incurred by your organization or contributed by others for ineligible purposes typically include salaries, rent, fringe benefits, supplies, office space, Internet access charges, utility expenses and other recurring charges. If shown at all, these should be shown in full on both the *Overall Budget Worksheet* and the *Other Funds Worksheet*. Budget worksheets are described below.

Budget Worksheets - The *Toolkit* provides three budget worksheets:

Overall Budget Worksheet: Show the entire project budget on this sheet in line-item form. Include every line-item that will be part of the project regardless of the source of funds. In other words, this sheet will show every aspect of the project, whether it is funded by the grant, by matching funds, or by other funds.

Number each line-item in the first column. **To assist us in our review, we ask that when you show these line-items on other worksheets, you use the same line-item number rather than numbering each sheet independently.** For example, you may show 100 line-items on the *Overall Budget Worksheet*. If line-items 9, 11, & 15 on that sheet are proposed as an in-kind match, show them as line-items 9, 11, & 15 on the *In-Kind Worksheet*.

For each line-item, identify the site where the item will be placed. Provide a description, a unit cost, the number of units, and the extended cost. In the last column, *DLT % of use*, enter the percentage of use that is attributable to purposes that meet the DLT Grant Program definition of distance learning and/or telemedicine. Remember, this column is for use of eligible equipment that meets the grant definition, not simply how much it will be used. **This percentage must be developed and supported in the TSP. Undocumented assertions of use cannot be evaluated as to eligibility by the Agency and can result in the item being moved to the *Other Funds Worksheet*.** All ineligible purposes are shown as zero % in the “DLT % of Use” column. Also, otherwise eligible items for which no grant funds are requested or which are not proposed as match are also shown as zero % in the “DLT % of Use” column. See below for detail about apportioning DLT project benefit. Examples are also provided.

At the bottom of the sheet is a block labeled *Budget Summary*. Line A, *Overall DLT Project Budget*, is the total project budget. The number entered here should match the number entered in Block 18g of the SF-424, *Application for Federal Assistance*.

In-kind Match Worksheet: If any in-kind match items are proposed, show them on this sheet. This includes any specific items identified in the match documentation letter. Listing specific items makes them a proposed in-kind match, regardless of whether they are represented in that letter as a cash match. If you truly wish to propose a cash match that can be applied against any eligible purpose, do not specify the items to which you want the funds to apply. Remember to identify each line-item in the same manner as on the *Overall Budget Worksheet* (line-item number, site, description, etc.).

Other Funds Worksheet: Show all purposes that will not be funded with grant or match on this sheet. This would include each line-item that is either ineligible or for which grant or match funds will not be requested or proposed. This includes every item on the *Overall Budget Worksheet* that is entered as having a “DLT % of Use” of zero. In addition, it includes any portions of line-items that are not predominantly for purposes which meet the Grant Program

2009 DLT Grant Application Guide

definition of distance learning or telemedicine. For example, if the applicant demonstrates that the use of a line-item can be apportioned as having a 25% “DLT % of Use,” the 75% that is not included in the grant or match budget is shown on this sheet. **(See D-1, Telecommunications System Plan & Scope of Work for detail about apportioning DLT project benefit.)**

Remember to identify each line-item in the same manner as on the *Overall Budget Worksheet* (line-item number, site, description, etc.).

Tip - The “DLT % of Use” column on the *Overall Budget Worksheet* is used to show the percentage of use attributable to approved grant and match purposes. It is not a measure of the source of funding nor is it an indication of how much the line-item is used in the project. For example, on a line-item proposed by the applicant as an in-kind match, do not enter zero % because you intend it to come from your match. Remember that items shown at zero percent are not eligible for either grant or match. Another example would be attendance software, which is not eligible under the grant program because it is an administrative cost. If shown on the *Overall Budget Worksheet*, it would be entered as zero % in the “DLT % of Use” column, regardless of whether it is used 100% of the time over the equipment financed by the project.

Budget Example - Overall Budget Worksheet:

Center City CC Site: The applicant, Center City Community College (Center City CC), plans a Distance Learning Project with three high schools; Woodland, Valley, and Southland. Center City CC will use the budgeted videoconferencing equipment to provide courses to the three high schools, but will not receive distance learning from them. Neither will it use the budgeted equipment to exchange distance learning on its campus or with any other sites not accounted for in the Budget and scoring. This makes Center City CC a true hub, so can be excluded from the *Rurality* and *NSLP* scoring.

Southland High is located in a relatively wealthy and urban area (> 20,000). The applicant could request grant funds for Southland and include it as an end-user in the scoring, but this would result in a much lower *Rurality* and *NSLP* score. Also, if the Agency determines that the grant funds requested or the match funds proposed are not necessary to benefit rural end users, or will provide more than incidental benefit to urban users, it may adjust the grant and match budget for this site to remove urban benefit. Instead, the applicant chooses to use other funds for Southland and apportion the funds budgeted at the hub to reflect the benefit that flows to the two end-users who will earn the higher *Rurality and NSLP* scores, Woodland and Valley. In this case, the applicant convincingly demonstrated in its *Telecommunication Systems Plan* that 40% of the coursework will be provided to Southland with the balance going to the two rural schools. This means that 60% of the videoconferencing investment at the hub (lines 1-7) can be attributed to the sites that benefit from the DLT project funded by the grant and on which it is scored. This percentage is entered onto the *Overall Budget Worksheet* in the “DLT % of Use” Column.

Line-items 8 and 9 are for a software package that includes ineligible purposes. The *Total School* package includes administrative functions such as attendance software and other academic record-keeping that is ineligible for funding with either grant or match. However, the package also provides functions that meet the DLT definition of distance learning. The applicant has obtained pricing and the basis for that pricing from its vendor. The apportionment by the vendor breaks out this software package into two line-items. The ineligible purposes are shown

2009 DLT Grant Application Guide

as having zero percent DLT purpose on line eight, even though they will be used in the project. The funds for this portion of the package must come from other funds. The eligible purposes are shown as having a 60% percent DLT purpose based on the same demonstration of use discussed above for lines 1-7. The 40% balance must come from other funds.

Line-items 9 and 10 are correctly shown as having zero percent DLT Use. Center City CC is not an end-user in this project. Classroom computers (and the wiring associated with them) are end-user equipment. As such, they are not part of this DLT project and could have been left out of the Budget.

Woodland and Valley High Sites: The project will provide both schools with essentially identical equipment. Each will get a distance learning classroom and lab equipped with video conferencing equipment (line-items 15-21 & 24 for Woodland and line-items 27-33 & 36 for Valley). The applicant demonstrated in the *Telecommunications System Plan* that the conferencing equipment will be used solely to receive distance learning so it is correctly entered at 100% in the “DLT % of Use” column.

In addition, the schools will install computers in other rooms (line-items 22, 34 and 35). The classroom computers will be used primarily for word processing and ordinary access to the Internet, which while not meeting the DLT Grant Program definition of distance learning, are not specifically ineligible. However, they will also be used at times to take formal online course work from the community college as part of the high school curriculum. The applicant demonstrated in the TSP that 20% of the computer’s usage will be for this purpose. As a consequence, it shows 20% DLT Use for the computers (line-items 22 and 34) as well as the classroom wiring associated with the installation at Valley (line-item35).

Southland: As discussed above, the applicant did not include Southland in the scoring. As a consequence, the funds budgeted at that site have a “DLT % of Use” of zero for this project and the funds must be provided from sources other than grant or match.

Budget Example - In-Kind Match Worksheet:

In this example, the applicant followed expected practice and provided a cash match. If, for example, a local store, not involved with the project as a vendor, wished to contribute the LCD projector for Woodland High, it would be entered on this worksheet identified by the same line-item number as on the *Overall Budget Worksheet*. (See E-3, *Leveraging*, in Section IV of this guide for a more thorough discussion of cash and in-kind matching.)

Budget Example - Other Funds Worksheet:

Some line-items that are part of a DLT project are not eligible as either grant or match. These funds must come from other sources. In addition, some line-items may not be predominantly attributable to the DLT project. (See D-1, *Telecommunications System Plan & Scope of Work for more detail about apportioning DLT project benefit.*) The balance of these line-items must also come from other sources. The applicant shows these line-items on the *Other Funds Worksheet*. Identify each line-item with the same line number used for that item on the *Overall Funds Worksheet*.

Items that are partially attributable to the project are shown on this sheet in the amount not attributable to the project. Grant and match funds cannot be used to benefit sites not shown in the scoring. In this case, the applicant had demonstrated in the TSP that 60% of line-items 1-7 were attributable to the sites on which the application is scored and 40% would benefit sites not

2009 DLT Grant Application Guide

shown in the scoring. The 40% that must come from other funds is shown here. Similarly, the applicant had demonstrated that 20% of line-items 22, 34, & 35 is attributable to the DLT project. The balance of these line-items (80%) is shown here.

Items not eligible for grant or match are shown on this sheet in the full amount as shown on the *Overall Funds Worksheet*. In this case, the applicant proposes a software package that provides both administrative functions (ineligible) and DLT functions (eligible). The applicant had the vendor provided breakout pricing and the basis for that pricing so that it could present the ineligible and eligible purposes on separate lines. Line 8, for the ineligible purposes must come entirely from other funds. Line 9, for the DLT Purposes has a 60% DLT percentage of use based on the same attribution used for lines 1-7 described in the previous paragraph. The balance, 40%, must come from other funds and is shown on this worksheet.

Other ineligible items would also be shown here. For example, a building addition is not an eligible purpose for grant or match. If an addition were part of the project, it would be shown on both the *Overall Budget* and *Other Funds Worksheet* in the full amount. In this case, Center City and Suburban High are not shown as end-users in the Rurality and *NSLP* calculations, so 100% of line-items 9 & 10 as well as items 40-49 are shown on the *Other Funds Worksheet*.

2009 DLT Grant Application Guide

DLT Project

Overall Budget Worksheet

(See D-1 and D-2 in Section IV of the *Application Guide*)

Line Item No.¹	Site Name²	Description	Unit Cost	No.	Extended Cost	DLT % of Use³
1	Center CC	Moderncom 3000 Server	\$2,125	1	\$2,125	60
2	Center CC	Poliburg 1776 Video Codec	\$9,675	1	\$9,675	60
3	Center CC	Tobsung T-98.6 DVD VCR Combo	\$1,480	1	\$1,480	60
4	Center CC	DV 2020X Digital Video Camera	\$940	1	\$940	60
5	Center CC	Illumimax 120/80 LCD Projector	\$1,420	1	\$1,420	60
6	Center CC	Micropixel P-5 5 Megapixel Document Camera	\$870	1	\$870	60
7	Center CC	Opus-infinity No. 4601 Mixer w lavalier and handheld microphones	\$1,870	1	\$1,870	60
8	Center CC	Total School Sftwr Pkg - Ineligible (see TSP)			\$37,600	0
9	Center CC	Total School Sftwr Pkg- DLT Eligible (see TSP)			\$97,400	0
10	Center CC	Omigosh Model 3-TBSP Classroom computers	\$750	200	\$150,000	0
11	Center CC	Wire Classroom computers into system	\$14,800	1	\$14,800	0
12		Center City CC Subtotal			\$318,180	
13	Woodland HS	Poliburg Intl 1776 Video Codec	\$9,675	1	\$9,675	100
14	Woodland HS	Tobsung T-98.6 DVD VCR Combo	\$1,480	1	\$1,480	100
15	Woodland HS	DV 2020X Digital Video Camera	\$940	1	\$940	100
16	Woodland HS	Illumimax 120/80 LCD Projector	\$1,420	1	\$1,420	100
17	Woodland HS	Micropixel P-5 5 Megapixel Document Camera	\$870	1	\$870	100
18	Woodland HS	Opus-infinity No. 4601 Mixer w lavalier and handheld microphones	\$1,870	1	\$1,870	100
19	Woodland HS	Dull 24 computer distance learning cart for Distance Learning Lab	\$21,780	1	\$21,780	100
20	Woodland HS	Omigosh 3TBSP Classroom computers	\$750	150	\$112,500	20
21	Woodland HS	Existing classroom wiring sufficient	n/a	n/a	0	n/a
22	Woodland HS	Wire Dist Learning Lab and video-conf. equip into system	\$11,340	1	\$11,340	100
23		Woodland HS Subtotal			\$161,875	
24						
25						
Overall Project Budget – Page 1 Subtotal →					480,055	
Budget Summary						
A.	(Sum of page 1 and continuation sheet subtotals) Overall DLT Project Budget⁴				\$790,065	
B.	(as documented under Tab E-3) Less Proposed Cash Match⁵				\$43,000	
C.	(from <i>In-Kind Match Worksheet</i>) Less Proposed In-Kind Match⁵				0	
D.	(from <i>Other Funds Worksheet</i>) Less Other Funds				\$586,851	
E.	DLT Grant Request (A – B – C – D = E)				\$160,214	

1. Use the line-item number established on the *Overall Budget Worksheet(s)* on the other budget worksheets. If line-item 16 on the Overall Sheet is ineligible, show it as item 16 on the *Other Funds Worksheet*. Don't start a new numbering system on each sheet.
2. For non-fixed site applications, show the operational service center out of which the financed equipment will operate.
3. This number refers to the % of use that meets the DLT Grant definition of distance learning or telemedicine, the portion that is eligible for either grant or match funding. Ineligible items or items for which no funding is requested are shown as zero percent, regardless of their use in the project.
4. Line A is the sum of all DLT project extended costs as shown on this page and any continuation sheets. It includes the grant request and all proposed matches, as well as ineligible funds that have been included in the budget.
5. **Matching funds (lines B & C) must be properly documented under Tab E-3 of your application as described in detail in the *Application Guide*. Any portion that is not will not be credited as an eligible match.**

Place this Worksheet under Tab D-2 of your Application

2009 DLT Grant Application Guide

DLT Project

Other Funds Worksheet

(See D-1 & D-2 in Section IV of the *Application Guide*)

Some line-items included in a DLT Project Budget are not eligible as either grant or match. The funds for these must come from other sources and are designated “Other Funds.” Some line-items are only partially eligible as grant or match. The balance of these must also come from other sources. Show all other funds below in the same manner (line-item #, site name, and description) as on the *Overall Budget Worksheet*. Show the ineligible line-item cost (or portion thereof) in the “other fund cost” column adjacent to the source of that funding.

Line Item No.	Site Name	Description	Other Fund Cost	Source
1	Center CC	Moderncom 3000 Server	\$850	Center CC
2	Center CC	Poliburg 1776 Video Codec	\$3,870	Center CC
3	Center CC	Tobsung T-98.6 DVD VCR Combo	\$592	Center CC
4	Center CC	DV 2020X Digital Video Camera	\$376	Center CC
5	Center CC	Illumimax 120/80 LCD Projector	\$568	Center CC
6	Center CC	Micropixel P-5 5 Megapixel Document Camera	\$348	Center CC
7	Center CC	Opus-infinity No. 4601 Mixer w lavalier and handheld microphones	\$748	Center CC
8	Center CC	Total School Sftwr Pkg - Ineligible (see TSP)	\$37,600	Center CC
9	Center CC	Total School Sftwr Pkg- DLT Eligible (see TSP)	\$38,960	Center CC
10	Center CC	Omigosh Model 3-TBSP Classroom computers	\$150,000	Center CC
11	Center CC	Wire Classroom computers into system	14,800	Center CC
20	Woodland HS	Omigosh 3TBSP Classroom computers	\$90,000	Woodland HS
33	Valley HS	Omigosh 3Tbsp Classroom computers	\$48,000	Valley HS
34	Valley HS	Wire additional classroom	\$1,984	Valley HS
37	Southland HS	Poliburg Intl 1776 Video Codec	\$9,675	Suburban HS
38	Southland HS	Tobsung T-98.6 DVD VCR Combo	\$1,480	Suburban HS
39	Southland HS	DV 2020X Digital Video Camera	\$940	Suburban HS
40	Southland HS	Illumimax 120/80 LCD Projector	\$1,420	Suburban HS
41	Southland HS	Micropixel P-5 5 Megapixel Document Camera	\$870	Suburban HS
42	Southland HS	Opus-infinity No. 4601 Mixer w lavalier and handheld microphones	\$1,870	Suburban HS
43	Southland HS	Dull 24 computer distance learning cart for Distance Learning Lab	\$21,780	Suburban HS
44	Southland HS	Omigosh 3Tbsp Classroom computers	\$135,000	Suburban HS
45	Southland HS	Wire additional classroom	\$11,450	Suburban HS
46	Southland HS	Wire Dist Lrn :Lab and vid-conf. equip into system	\$13,670	Suburban HS

D. Total Proposed Other Funds → (Insert this number in line D of the Budget Summary on the Overall Budget Worksheet)	\$586,851
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Make copies of this sheet if needed and label them “continuation.” **Place this sheet with other budget sheets under Tab D-2**

**2009 DLT Grant Application Guide – Appendix
Process Changes from FY 2006 & 2007**

Notes for Budget Example

Total Grant Request: \$160,214
Total Proposed Match: \$43,000

DLT grants require a 15% minimum match

To calculate the match percentage:

$$\text{Matching contributions} \div \text{Proposed Grant Amount} \times 100 = \text{Match \%}$$

$$(\$43,000 \div \$160,214) \times 100 = 26.84\%$$

Calculation of 10% Rule for Category 3 Costs (See D, *Project Information*, in Section IV of this *Application Guide*)

There are three categories of eligible costs. The third category includes things like training and the development of instructional programming. Category three costs are limited to 10% of the grant request and/or match. The budget above does not include any of these costs. If it did, the costs could would be limited as follows:

$$10\% \text{ of the Grant Request} = \$16,021$$

$$10\% \text{ of the match} = \$4,300$$

D-3. Financial Information and Sustainability

Provide a narrative description that demonstrates your project’s feasibility. Address the technical and programmatic expertise necessary to undertake and complete the project. Show how this expertise will ensure a sustainable project. You should also address the resources devoted to the project, and whether these resources will sustain the project. **Applications submitted without a *Financial Information and Sustainability* Section cannot be evaluated and will be returned as ineligible.** Place this section under Tab D-3 of your application. Your narrative should include all assumptions and the following information:

1. A description of the project’s revenues and expenses.
2. Evidence of cost sharing arrangements among hub and end-user sites, if applicable.
3. Identification of any other items that may affect feasibility or sustainability of the project.
4. A demonstration that the benefits, including cost savings, of the DLT grant pass through to those receiving services from the project.

D-4. Statement of Experience

Provide a written narrative describing your organization’s demonstrated capability and experience in operating an educational or health care endeavor and any project similar to the proposed project. Experience in a similar project is desirable but not required. If your organization does not have experience with projects similar to the proposed project, you should explain how you plan to overcome this. Place this narrative under Tab D-4 or your Application.