

### Eligible Fund Uses

Fund uses must be consistent with the RCDI Home-Based Health Care Cooperative Demonstration Program purpose (see "Background" section of this notice). Pre-planning grant funds will be used to retain a demonstration project organizer to accomplish the following:

1. Provide outreach to home-based health care providers, and assess worker needs,
2. Work with local level human service providers,
3. Build community support among those who have contact with the elderly (social workers, physicians, pharmacists, clergy, hospitals, hospice, meals on wheels, etc.),
4. Select and train membership for the steering committee,
5. Conduct a survey of potential members,
6. Analyze market for home-based health care services,
7. Prepare a business plan,
8. Assist in the incorporation of the cooperative,
9. Assist the cooperative in the preparation and adoption of bylaws and the election of a board of directors, and
10. Hire a local cooperative service administrator and set up office.

At the conclusion of the work by the organizer, all planning elements should be in place for the formal creation of a home-based health care cooperative.

Revolving loan grant funds will be used by the recipient organization to:

1. Fund and administer a revolving loan program to provide start-up and operating funds to newly created home-based health care cooperatives.
2. Provide technical assistance to pre-planning grant recipients and the home-based health care cooperatives, including development of financial plans for the cooperative, establishing the cooperative's financial records process, and providing follow-up as the cooperative progresses from implementation to full operation. A maximum of ten percent of the grant funds and matching funds may be used by the revolving loan grant recipient to provide technical assistance to the pre-planning grant recipient and the newly formed home based health care cooperative.

### Ineligible Fund Uses

1. Construction (in any form).
2. Funding illegal activities.
3. Funding a grant where there may be a conflict of interest, or an appearance of a conflict of interest, involving any action by the Agency.

4. Paying obligations incurred before the beginning date, or after the ending date, of the grant agreement.

5. Improvement or renovation of the recipient's office space or for the repair or maintenance of privately owned vehicles.

6. Payment of the recipient's administrative costs or expenses.

7. Any other purpose prohibited in 7 CFR parts 3015, 3016, and 3019, as applicable.

8. Funds cannot be used for recipient's general operating costs.

### Interest Rates

Interest rates charged by the recipient to the beneficiary cooperative on loans made from the revolving loan fund shall be negotiated by the recipient and the beneficiary cooperative. The rate should be the lowest rate sufficient to cover the loan's proportional share of the revolving fund's debt service and administrative costs. Rural Development reserves the right to review the interest rate being charged.

Any cash in the revolving fund from any source that is not needed for servicing or administrative costs must be available for additional loans to beneficiary home health care cooperatives.

### Application Selection Process

Rating and ranking. Applications will be rated and ranked by a review panel based on the "Evaluation Criteria and Weights" contained in this Notice. If there is a tied score after the applications have been rated and ranked, the tie will be resolved by reviewing the scores for "Capacity." The applicant with the highest score in that category will receive a higher ranking. If the scores for Capacity are the same, the scores will be compared for the next criterion, in sequential order, until one highest score can be determined.

Initial screening. The Agency will screen each application to determine eligibility during the period immediately following the application deadline. Listed below are many of the reasons for rejection to help prospective applicants prepare a better application. The following reasons for rejection are not all inclusive; however, they represent the majority of the applications previously rejected by the RCDI program.

1. Applicants for the pre-planning grants are not located in eligible rural areas based on the definition in this Notice.
2. Applicants failed to provide required evidence of recipient's status, *i.e.*, documentation supporting nonprofit designation.

3. Applicants are individuals.

4. Applicants failed to address the Evaluation Criteria and were unable to compete.

5. The purpose of the proposal did not qualify as an eligible RCDI project purpose.

6. Funds are intended to be used for construction.

7. Financial and technical assistance is being provided directly to individuals.

The State Office will review their copy of the application and provide the State Director's written comments and recommendations to the National Office.

### Evaluation Criteria and Weights—Pre-Planning Grant

This information should be presented in narrative form. Documentation must be limited to three pages per criterion.

#### 1. Capacity—Maximum 60 Points

The applicant for the pre-development planning grant must demonstrate how they will accomplish the required goals for the grant, including their experience in establishing a new organization, experience with the function and organization of cooperatives, experience in the community where the home-based health care cooperative will be established, experience in the health care services industry, and experience in working with diverse organizations in establishing set goals. All applications will be competitively ranked. The applications providing the most comprehensive information about establishing a new home-based health care cooperative will be ranked the highest.

#### 2. Soundness of Approach—Maximum 50 Points

The applicant can receive up to 50 points for soundness of approach. The overall proposal will be considered under this criterion.

a. Has the applicant demonstrated their ability to provide the proposed financial and technical assistance based on prior accomplishments?

b. A description that the basic elements for the establishment of a home health care cooperative are already available in the community where the services will be provided, *i.e.*, a pool of home health care workers already in the area, demonstrated demand for these services, and the possible availability of a source of reliable income for the new cooperative.

c. The proposed financial and technical assistance program is clearly stated and the applicant has defined