

2024 CED Traditional and CED Planning Notice of Funding Opportunities
Questions and Answers
As of 5/17/2024

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This document contains frequently asked questions and answers regarding the

[2024 CED Notice of Funding Opportunity \(NOFO\)](#)

and

[2024 CED Planning Notice of Funding Opportunity \(NOFO\)](#)

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Questions and Answers

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General

About the NOFO

Question: Why is this year's NOFO organized differently than NOFOs for this program in the past?

Answer: The Administration for Children and Families (ACF) has issued an initiative aiming to simplify and redesign NOFOs to make them easier to read and respond to. You can learn more about this initiative on the [ACF website](#).

Application Submission

Question: When is the application due date?

Answer: Traditional CED grant applications are due July 17, 2024. CED Planning grant applications are due July 2, 2024.

Electronic Applications

The deadline for submission of electronic applications via www.Grants.gov is 11:59 p.m., ET, on the due date. Electronic applications submitted at 12:00 a.m., ET, on the day after the due date will be considered late and will be disqualified from competitive review and from funding under this announcement.

Applicants are required to submit their applications electronically via www.Grants.gov unless they received an exemption through the process described in *Step 5: Submit Your Application*.

ACF does not accommodate transmission of applications by email or facsimile.

Instructions for electronic submission via www.Grants.gov are available at: www.grants.gov/web/grants/applicants/apply-for-grants.html.

Make sure that your application passes the Grants.gov validation checks or it will not be received. Do not encrypt, zip, or password protect any files. You won't receive any notice from ACF if your application fails Grants.gov validation checks.

Mailed Paper Format Applications

The deadline for receipt of mailed, paper applications is 4:30 p.m., ET, on the due date. Mailed paper applications received after the due date and deadline time will be considered late and will be disqualified from competitive review and from funding under this announcement.

Paper format application submissions will be disqualified if the applicant organization has not received an exemption through the process described in *Step 5: Submit Your Application*.

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Question: What is the two-file requirement?

Each applicant is required to upload ONLY two electronic files, excluding SFs and OMB-approved forms.

- File One: Must contain the entire Project Narrative, and the Budget and Budget Justification (including a line-item budget and a budget narrative).
- File Two: Must contain all documents required in the Other Attachments section.

No more than two files will be accepted for the review. Applications with additional files will be amended and files will be removed from the review. The Standard forms and OMB-approved forms will be uploaded separately. The two-file requirement is discussed in more detail in *Step 3: Prepare Your Application*.

Question: What are the formatting requirements for application submission?

Answer: Please refer to *Step 3: Prepare Your Application* for information on formatting, font size, page limitations, spacing and other instructions for completing your application.

CED Program

About the Program

Question: What is the purpose of the Community Economic Development (CED) program?

Answer: The CED program is built on three pillars:

1. CED creates new high-quality, permanent, full-time jobs for individuals with low incomes. It does this by funding business development and expansion efforts (for example, entrepreneurship and social enterprise).
2. CED addresses barriers to employment by providing wraparound services that focus on the needs of individuals with low incomes who are hired into jobs created through CED.
3. CED promotes community revitalization by infusing funding into local communities to support economic development.

The objective of the program is to support businesses that develop new products, services, and commercial activities that result in new positions for individuals with low incomes. These positions should:

- Be ready to implement at the time of award.
- Create jobs that result in increased self-sufficiency for individuals and families with low incomes.
- Create or expand businesses that promote economic revitalization in low-income communities.

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- Attract additional public and private funds to increase investment and quality of life in low-income communities.
- Promote equity in underserved communities

Question: What is the Award Ceiling for the CED program?

Answer: \$800,000

Question: When will funding awards for CED be announced?

Answer: The expected award date is August 30, 2024. All applicants who are funded will be notified by e-mail no later than September 30, 2024 by GrantSolutions, a comprehensive grants management system provided by the Grants Center of Excellence.

Question: How many jobs do I have to create through the CED grant?

Applicants must propose to create at least a minimum number of jobs using the following formula: [Total Amount of Federal CED Funds Awarded] divided by [\$32,000 for construction projects or \$27,000 for non-construction projects] = [Minimum Number of Jobs to be Created].

For example, if a grant recipient is awarded \$800,000 in federal CED funds for a non-construction project, it must use that money to conduct activities that will create at least 29 jobs ($\$800,000 \div \$27,000 = 29$). If the grant recipient is using a strategy that involves construction, the project must create at least 25 jobs ($\$800,000 \div \$32,000 = 25$). For a table with examples of the minimum number of jobs based on specific award amounts, see *Appendix: Sample Chart of Jobs Created* at the end of the NOFO. Note: An applicant's score will not increase by proposing jobs above the required minimum.

Question: How is “low-income” defined for the purposes of the CED Program?

Answer: For the purposes of this NOFO, “low-income” will be defined as a household income level that does not exceed 200% of the official poverty guidelines, as found in the most recent revision of the HHS Poverty Guidelines published by HHS at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

Question: Where can I find resources for applying for a CED grant?

Answer: A pre-recorded webinar about the 2024 CED NOFO is available on the Information for Prospective Applicants page at <https://www.acf.hhs.gov/ocs/ced-information-prospective-applicants>.

Questions and answers will also be posted online as they are received on a weekly basis.

Uses of Funding

Question: Are there any restrictions on how funds can be used?

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Answer: CED funds may be used for the start-up or expansion activities of participating businesses, as consistent with the cost principles, as implemented in 45 CFR Part 75, Subpart E, provided that the expenditures result in the creation of positions that can be filled with individuals with low incomes. This includes start-up capital for operating expenses, such as salaries, facilities, and equipment that will be replaced by projected earnings.

Ineligible activities are listed in the NOFO under *Step 1: Review the Opportunity*. Such activities include:

- Reimbursement of pre-award costs.
- Subawards/pass-throughs.
- Capitalizing loan loss reserve funds.
- Providing loan(s) in which repayment begins after the end of the funded project period.
- Creating or expanding microenterprise business training and technical assistance centers.
- Providing as a primary activity job training, placement of individuals into existing positions, and technical assistance. Limited job training activities can only be supported in the context of training that is provided specifically for the new positions created. For example, funds can be used to train a cashier for a specific position that has been created with CED funds, but funds cannot be used to operate a general job training.
- Placing individuals in jobs that existed prior to the proposed CED project

Question: I understand that the grant can support non-construction projects and construction projects. Can an applicant apply under one grant application for both construction and non-construction activities?

Answer: As outlined in *Step 1: Review the Opportunity*, CED funds may be used for the start-up or expansion activities of participating businesses, as consistent with the cost principles, as implemented in 45 CFR Part 75, Subpart E, provided that the expenditures result in the creation of positions that can be filled with individuals with low incomes. Projects will be evaluated based on their ability to create and sustain permanent, full time jobs in accordance with the elements described in *Step 4: Learn About Review and Award*.

Applicants are encouraged to carefully review the definition of “construction” in the NOFO.

CED-funded projects can be construction or non-construction projects.

Non-construction projects involve limited construction, or alteration and renovation of real property, costing \$250,000 or less to support participating business creation, expansion, and/or job creation. Non-construction projects typically involve a loan(s) or equity investment(s) in participating business(es). Construction projects involve construction, or alteration and renovation of real property, exceeding \$250,000.

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Construction projects typically include commercial real estate for lease or use by the gamut of small and large scale business operations. The CED program permits facility construction, as needed, to support participating business creation, expansion, and/or job creation.

For both types of projects, in the business plan, the applicant must demonstrate a clear separation of construction and non-construction activities - each (if applicable) must include a realistic project plan with a timeline that clearly indicates that the project will be complete and all CED funding will be expended within the grant period. Applicants should also refer to the application checklist, which is presented in *Step 5: Submit Your Application*, for more information on what forms are required for construction and non-construction projects under this NOFO.

If you are submitting an application for a project with both construction and non-construction elements, you will need to fill out all applicable forms identified in the NOFO, including SF-424A - Budget Information - Non- Construction Programs and SF-424B - Assurances - Non-Construction Programs as well as SF-424C - Budget Information - Construction Programs and SF-424D - Assurances - Construction Programs. As stated in the funding opportunity, all applicants must submit the SF-424B budget form.

Question: Does a project using a loan for construction count as construction or non-construction?

Answer: *Step 1:Review the Opportunity* defines construction and non-construction projects. Non-construction projects involve limited alteration or renovation, costing less than \$250,000 to support participating business creation and/or expansion and job creation. Any CED project with construction activities, regardless of whether the property is owned by the recipient or participating business, will be considered a construction project and granted a 48-month project period. However, perspective applicants are urged to read the federal requirements related to "real property" carefully, as those apply to only projects where the recipient owns the property.

Question: What is considered a full-time job?

Answer: Under this funding opportunity, a full-time, full-year position is defined as a nonseasonal position requiring at least 30 hours of work per week. An aggregation of part-time positions to a full-time equivalent is not considered a full- time position.

Question: Can all \$800,000 be used as a loan?

Answer: As described in *Step 1:Review the Opportunity*, CED funds may be used for the start-up or expansion activities of participating businesses, as consistent with the cost principles, as implemented in 45 CFR Part 75, Subpart E, provided that the expenditures result in the creation of positions that can be filled with individuals with low incomes. This includes loans to identified, viable, participating businesses. The award ceiling for a CED grant is \$800,000.

Question: Can the funding be used for staff wages of the grant recipient?

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Answer: As described in The Project Budget and Budget Justification, provide a budget justification, which includes a budget narrative and a line-item detail, for each year of the proposed project. The budget narrative should describe how the categorical costs are derived. Discuss the necessity, reasonableness, and allocation of the proposed costs. Sources and uses of funds documentation must be provided for both CED and non-CED funding sources (if applicable) necessary to implement the project, along with an itemization of expenses by funding source. Such costs, where applicable and appropriate, may include, but are not limited to facilities, employee salaries and wages (including fringe benefits), travel, equipment, and supplies. Please note costs must be allowable per 45 CFR Part 75 Subpart E.

Eligibility Requirements

Question: Who is eligible to apply for a CED grant?

Answer: As described in *Step 1: Review the Opportunity*, entities that meet all three of the following criteria may apply:

- Private, nonprofit CDC with 501(c)(3) status.
- Articles of incorporation or bylaws demonstrate that the CDC has a principal purpose of planning, developing, or managing low-income housing or CED activities.
- The CDC's Board of Directors has representation from each of the following: community residents, business leaders, and civic leaders.

Individuals, including sole proprietorships, and foreign entities may not apply.

Question: Can we partner with non-CDC organizations?

Answer: As outlined in the funding opportunity, your project may include a variety of project partners.

Question: What is considered a participating business?

Answer: As described in *Step 1: Review the Opportunity*, the objective of the program is to support businesses that develop new products, services, and commercial activities that result in the creation of new positions for individuals with low incomes. The projects should create businesses that improve the livelihood of the community itself.

A participating business is defined in the NOFO as a business that has been identified as a CED project participant with a signed a third-party agreement with the CED applicant to create new jobs that meet the program requirements.

CED funds may be used for the start-up or expansion activities of participating businesses, as consistent with the cost principles, as implemented in 45 CFR Part 75, Subpart E, provided that the expenditures result in the creation of positions that can be filled with individuals with low incomes.

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As described in Business Plan - Participating Business Viability, the application must explain the basis for projected business earnings for all the participating business(es), including the necessary documentation demonstrating financial feasibility/viability. Financial feasibility/viability is usually demonstrated using the following types of documentation: profit and loss forecasts or pro forma, cash flow projections, balance sheets, and sources and uses of funds statements. Financially feasible/viable projects identify and explain earnings, fees, or other sources of revenues sufficient to provide for business operation and maintenance, a reasonable reserve, and all expenses for proposed job creation.

CED Planning Program

About the Program

Question: What is the purpose of the Community Economic Development Planning (CED-P) program?

Answer: CED Planning grants direct resources to persistent high-poverty areas with struggling economies that have been unable to put forth a viable CED project in the past. The goal is to provide CDCs with financial assistance for administrative capacity building. With increased administrative capacity, CDCs will be better equipped to design a sustainable business project and package a viable competitive application to be submitted in a CED grant competition within 12 months after the end of the project period.

Question: What is the Award Ceiling for the CED-P program?

Answer: \$150,000

Question: When will funding awards for CED-P be announced?

Answer: The expected award date is August 30, 2024. All applicants who are funded will be notified by e-mail no later than September 30, 2024 by GrantSolutions, a comprehensive grants management system provided by the Grants Center of Excellence.

Question: Where can I find resources for applying for a CED-P grant?

Answer: A pre-recorded webinar about the 2024 CED Planning NOFO is available on the Information for Prospective Applicants page at <https://www.acf.hhs.gov/ocs/ced-information-prospective-applicants>.

Questions and answers will also be posted online as they are received on a weekly basis.

Uses of Funding

Question: Are there any restrictions on how funds can be used?

Answer: CED Planning funds may be used to implement activities that will lead to a viable CED project concept and a competitive CED application. This includes funding to convene stakeholders, obtain

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community buy-in, secure partnerships with social service providers and develop a business plan for an identified business development or economic development opportunity

Ineligible activities are listed in the NOFO under *Step 1: Review the Opportunity*. Such activities include:

- Construction.
- Purchase of real property.
- Major renovation.
- Subawards/pass-throughs.

Eligibility Requirements

Question: Who is eligible to apply for a CED-P grant?

Answer: As described in *Step 1: Review the Opportunity*, Entities that meet all three of the following criteria may apply:

- Private, nonprofit CDC with 501(c)(3) status.
- Articles of incorporation or bylaws demonstrate that the CDC has a principal purpose of planning, developing, or managing low-income housing or CED activities.
- The CDC's Board of Directors has representation from each of the following: community residents, business leaders, and civic leaders.

Individuals, including sole proprietorships, and foreign entities may not apply.