

percentage will not exceed the approximate actual indirect costs. Such award may include an estimated provisional amount for indirect costs or for designated direct costs (such as fringe benefit rates) subject to upward (within the limits of available funds) as well as downward adjustments to actual costs when the amount properly expended by the grantee for provisional items has been determined by the Secretary: *Provided, however,* That no grant shall be made for an amount in excess of the total costs found necessary by the Secretary to carry out the project.

(i) In determining the percentage of project costs to be borne by the grantee, factors which the Secretary will take into consideration will include the following:

(A) The ability of the grantee to finance its share of project costs from non-Federal sources;

(B) The need in the area served by the project for the services to be provided; and

(C) The extent to which the project will provide services in an innovative manner which the Secretary desires to stimulate in the interest of developing more effective health service delivery systems on a regional or national basis.

(ii) At any time after approval of an application under this part, the Secretary may retroactively agree to a percentage of project costs to be borne by the grantee lower than that determined pursuant to paragraph (a)(2)(i) of this section where he finds that changed circumstances justify a smaller contribution.

(iii) In determining the grantee's share of project costs, costs borne by Federal grant funds, or costs used to match other Federal grants, may not be included except as otherwise provided by law or regulations.

(b) All grant awards shall be in writing, and shall set forth the amount of funds granted and the period for which support is recommended.

(c) Neither the approval of any project nor any grant award, shall commit or obligate the United States in any way to make any additional, supplemental, continuation, or other award with respect to any approved project or

portion thereof. For continuation support, grantees must make separate application.

**§ 56.107 Priorities for grants.**

(a) Grants under sections 319(c)(1)(A), 319(d)(1)(A), 319(d)(1)(B) of the Act and subparts B, C, and D of this part shall be made in accordance with the following priorities:

(1) Highest priority will be given to approvable applications which propose to serve catchment areas in which 6,000 or more migratory agricultural workers and members of their families reside for more than two months in the calendar year.

(2) Second priority will be given to approvable applications which propose to serve catchment areas in which fewer than 6,000 but more than 1,000 migratory agricultural workers and members of their families reside for more than two months in the applicable calendar year.

(3) Third priority will be given to approvable applications which propose to serve catchment areas in which migratory agricultural workers and members of their families reside but in which fewer than 1,000 such persons reside for more than two months in the applicable calendar year.

(4) Fourth priority will be given to approvable applications which propose to serve catchment areas in which migratory agricultural workers and members of their families reside in the applicable calendar year but in which no such persons reside for more than two months in such year.

(5) Fifth priority will be given to approvable applications which propose to serve catchment areas in which no migratory agricultural workers or members of their families reside for any period in the applicable calendar year but in which 6,000 or more seasonal agricultural workers and the members of their families reside.

(6) Lowest priority will be given to approvable applications which propose to serve catchment areas in which no migratory agricultural workers or members of their families reside for any period in the applicable calendar year and in which fewer than 6,000 seasonal agricultural workers and the members of their families reside.

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(b) Grants under sections 319(c) (1)(B) and 319(d)(1)(C) of the Act and subparts E and F of this part will be made in accordance with priorities set forth in paragraphs (a)(2) through (a)(6) of this section, in the order set forth.

(c) For the purposes of this section, the applicable calendar year will be the calendar year for which data is provided in accordance with § 56.104(b)(3) of this subpart.

**§ 56.108 Use of grant funds.**

(a) Any funds granted pursuant to this part, as well as other funds to be used in performance of the approved project, may be expended solely for carrying out the approved project in accordance with section 319 of the Act, the applicable regulations of this part, the terms and conditions of the award, and the applicable cost principles prescribed in subpart Q of 45 CFR part 74.

(b) Project funds awarded under this part may be used for, but need not be limited to, the following:

(1) The costs of acquiring and modernizing existing buildings (including the costs of amortizing the principal of, and paying interest on, loans), but only in accordance with subpart H of this part and as approved in the grant award;

(2) The costs of obtaining technical assistance to develop and improve the management or service capability of the project but only as approved by the Secretary;

(3) To reimburse members of the grantee's governing board established pursuant to § 56.304 of subpart C, or advisory council established pursuant to § 56.603(q) of subpart F, if any, for reasonable expenses actually incurred by reason of their participation in the activities of such board or council;

(4) To reimburse such governing board or advisory council members who are individuals eligible to be served by the project for wages lost by reason of participation in the activities of such board or council;

(5) The cost of delivering health services to migratory agricultural workers, seasonal agricultural workers and the members of their families within the project's catchment area, within the following limitations: grant funds may be used to pay the full cost of project

services to such individuals and families with annual incomes at or below those set forth in the most recent "CSA Income Poverty Guidelines" (45 CFR 1060.2) issued by the Community Services Administration, and to pay the portion of the cost of services provided in accordance with the schedule of discounts which, under such schedule, is uncompensated; *Provided, That*

(i) Charges will be made to such individuals and families in accordance with § 56.303(f) of subpart C or § 56.603(e) of subpart F, as applicable;

(ii) Reasonable effort shall be made to collect such charges under a billing and collections system; and

(iii) The charge to grant funds shall exclude any amounts collected pursuant to paragraph (b)(5)(ii) of this section;

(6) The cost of insurance for medical emergency and out-of-area coverage; and

(7) The cost of providing to the staff and governing board, if any, of the project training related to the management of an ambulatory care facility, and to the staff of a project funded under subpart C, D, or F of this part, training related to the provision of primary, supplemental and environmental health services provided or to be provided by the project, consistent with the applicable requirements of 45 CFR part 74.

(c) Prior approval by the Secretary of revisions of the budget and project plan is required whenever there is to be a significant change in the scope or nature of project activities.

**§ 56.109 Grant payments.**

The Secretary shall from time to time make payments to a grantee of all or a portion of any grant award, either in advance or by way of reimbursement for expenses incurred or to be incurred, to the extent he determines such payments necessary to promote prompt initiation and advancement of the approved project.

**§ 56.110 Nondiscrimination.**

(a) Attention is called to the requirements of title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. 2000d *et seq.*) and in particular section 601 of such Act which provides that no person