

Federal Funding and Subaward Planning Schedule

Overview

The CMS Rural Health Transformation Program is funded through five federal budget periods. The first federal budget period is 10 months and the remaining four are 12 months. Under the CMS Notice of Funding Opportunity, funds awarded for a federal budget period may be expended through the end of the following federal fiscal year.

The initial FHC subaward term under this RFA will run from contract execution through September 30, 2027. The executed subaward agreement—not the federal schedule below—will establish each recipient's controlling project period, approved budget, spending deadline, reporting requirements, and other award conditions. Any later subaward period or continuation funding is contingent on the applicable CMS award, GO-NORTH authorization, satisfactory performance and compliance, and approval of any required updated work plan and budget.

CMS Award Determination and Federal Spending Schedule

Funding Year	Funding Distributed Targets	Latest Federal Spending Deadline
FY 2026	December 31, 2025	September 30, 2027
FY 2027	October 31, 2026	September 30, 2028
FY 2028	October 31, 2027	September 30, 2029
FY 2029	October 31, 2028	September 30, 2030
FY 2030	October 31, 2029	September 30, 2031

These dates reflect the CMS NOFO schedule. An individual FHC subaward may establish earlier deadlines. Inclusion of a future funding year in an application or award plan does not guarantee continuation funding.

Requirements for the Initial FHC Subaward Term

Unless the executed subaward agreement states otherwise, activities funded during the initial FHC subaward term must be completed, expenditures incurred, and required deliverables submitted by **September 30, 2027**. FHC will monitor expenditures, milestones, deliverables, and outcomes throughout the award period. GO-NORTH and FHC may require corrective action or an approved revision to the work plan or budget when performance or spending is materially behind schedule. Unexpended funds remain subject to the terms of the subaward agreement and applicable federal and state requirements.

Annual Reporting

By **July 31 of each year**, grantees must submit required financial expenditure and outcome reports in the format established by FHC and GO-NORTH. This annual deadline does not replace any additional financial, performance, closeout, or monitoring reports required by the subaward agreement.

Budget and Work-Plan Guidance

Applicants should:

- map activities, deliverables, procurements, and expenditures to the applicable Budget Period;
- establish realistic timelines for procurement, contracting, onboarding, technology integration, and required approvals;
- avoid unnecessary back-loading of expenditures;
- identify measurable outputs and outcomes, including the estimated number of rural patients served when applicable;
- identify any equipment or capital expenditure that requires prior written approval;
- clearly separate current-period activities from any future activities that are contingent on additional funding; and
- submit updated work plans and budgets for later periods when required by FHC or GO-NORTH.

Equipment and Capital Expenditures

For purposes of this RFA, **equipment** has the meaning established in 2 CFR § 200.1: tangible personal property, including information technology systems, with a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the recipient's or subrecipient's capitalization threshold for financial-statement purposes or \$10,000.

All proposed equipment purchases meeting this definition must be included in the approved project budget and receive prior written approval from FHC. The request must include the item description, manufacturer and model, unit cost, quantity, useful life, intended location and responsible custodian, a written justification demonstrating how the equipment supports the approved project, and confirmation that the equipment is not reasonably available through an existing shared-use arrangement.

Equipment purchased without required budget approval and prior written authorization from FHC is not reimbursable. Retroactive equipment-approval requests will not be considered. Other capital expenditures must be clearly tied to an allowable use of funds, necessary for the approved project, reasonable and allocable, included in the approved budget, and supported by any required prior approval.

Indirect and Administrative Costs

Applicants must clearly identify all indirect and administrative costs in the proposed budget and demonstrate that their combined total does not exceed **10% of the total funding requested**. This limitation applies regardless of whether an applicant has a federally negotiated indirect cost rate or elects to use the de minimis rate.

Potential Reimbursement of Costs Incurred Before Subaward Execution

CMS does not allow costs incurred before the federal award start date. An applicant must not assume that costs incurred before execution of an FHC subaward agreement will be reimbursed. A subaward agreement may authorize reimbursement of eligible costs incurred on or after **March 16, 2026**, but before the subaward agreement is fully executed, only when FHC expressly authorizes those costs in the executed agreement.

To be considered, such a cost must:

1. be incurred on or after March 16, 2026, and before execution of the subaward agreement;
2. fall within the approved project scope and applicable funding category;
3. be necessary, reasonable, allocable, and allowable under 2 CFR Part 200 and the award terms;
4. supplement and not supplant other federal or non-federal funding;
5. comply with applicable procurement, conflict-of-interest, documentation, and approval requirements; and
6. be supported by complete source documentation, such as invoices, purchase orders, payroll records, proof of payment, and procurement records.

Before reimbursement, a selected recipient must provide any certification and supporting documentation required by FHC to confirm that the conditions above have been met. FHC may request additional documentation before determining whether a cost is allowable and reimbursable.

Costs requiring prior written approval are not eligible for retroactive approval. In particular, equipment subject to the approval requirements above must receive FHC's written approval before purchase to be eligible for reimbursement.

Applicants incur costs before subaward execution entirely at their own risk. Submission of an application, selection for funding, or FHC review of documentation does not guarantee reimbursement. FHC may deny any cost that is outside the approved scope, inadequately documented, duplicative, unallowable, or otherwise noncompliant.

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