

COVID-19 Prevention and Mitigation Hospital Grant Program

Capital Expenditure Justification Form

Overview

The following 2CFR policy requirements apply to [21.027 assistance listing](#) for Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), Coronavirus State Fiscal Recovery Fund (CSFRF) and Coronavirus Local Fiscal Recovery Fund (CLFRF):

- Subpart B, General provisions
- Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards
- Subpart D, Post Federal; Award Requirements
- Subpart E, Cost Principles
- Subpart F, Audit Requirements

Under 2 CFR 200, 2 CFR § 200.439 on Equipment and other capital expenditures¹ indicates that:

(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.

Additionally, capital expenditures may involve long leadtimes, and the Written Justification may support recipients in analyzing proposed capital expenditures to confirm that they conform to the obligation and expenditure timing requirements.

Justification Instructions

The Written Justification to the pass-through entity, Office of Planning and Budget should:

(2) explain why a capital expenditure is appropriate to address COVID-19 mitigation and prevention to the general public.²

In narrative form, please provide an explanation of why a capital expenditure is appropriate: Recipients should provide an independent assessment demonstrating why a capital expenditure is appropriate to address the specified harm or need. This should include an explanation of why existing capital equipment, property, or facilities would be inadequate to addressing the harm or need and why policy changes or additional funding to pertinent programs or services would be insufficient without the corresponding capital expenditures. Recipients are not required to demonstrate that the harm or need would be irremediable but for the additional capital expenditure; rather, they may show that other

¹ (a) See [§ 200.1](#) for the definitions of *capital expenditures*, *equipment*, *special purpose equipment*, *general purpose equipment*, *acquisition cost*, and *capital assets*.

² US Department of Treasury, Final Rule <https://www.federalregister.gov/documents/2022/01/27/2022-00292/coronavirus-state-and-local-fiscal-recovery-funds>

interventions would be inefficient, costly, or otherwise not reasonably designed to remedy the harm without additional capital expenditure.

Grant ID:

Grantee Name (as it appears on your award):

Date of Submission:

Capital Expenditure Amount:

Capital Expenditure Type:

Justification: