



Facilities and Buildings Frequently Asked Questions

Can we use a mortgage for the match?

The grant funds and match have to be expended during the grant period. This means that any FAB funds would essentially be used, along with the match, as a down-payment. So, if your building costs \$5M, but you can only raise \$100k as a down-payment (assuming your application is successful, etc.) FAB could match that \$100k so that you're making a \$200k down-payment. But you would not be able to apply for \$2.5M and take out a mortgage for the remaining \$2.5M.

Are lease-purchases eligible?

FAB funds could potentially be used for the lease-purchase of new or expanded space. The primary reason to enter into a lease-purchase is to make smaller incremental payments over a period of time. (*i.e.* rent-to-own) In this case, an applicant could request funds toward a large down-payment or pre-payment to reduce their long-term monthly lease costs. A lessee could also use grant funds toward upfront payments for leasehold improvements or other pre-payments, as long as they're matched.

Must every dollar received through FAB be spent between October 1, 2018 and September 30, 2019?

200% of the grant award must be expended, and reported on. The only exception would be for expenses above and beyond the match. (e.g. if you have a \$2M project, and are awarded \$250k, the expenses CAH is concerned about are the ones that come out of the grant and match, for a total of \$500k. The remaining \$1.5M could be spent at any time.)

For large grants, will disbursements be made on the usual schedule of half up front, and half after the interim report is approved?

Grants over \$1M will be paid out in three payments. If there are any grants over \$4M, they will be paid out in four payments.

Could we enter into a purchase agreement with a contingency of receiving the grant?

It would be fine—prudent—even, to enter into a purchase agreement that is contingent upon receiving the FAB award.

Must every dollar of the match be received during the grant period?

Expenditures must occur during the grant period. Timing of receipt of matching funds doesn't really matter. They could come from operating funds, or a reserve fund, or capital funds raised before the grant period.