



# California Community Reinvestment Grants Program Frequently Asked Questions

The information in this document is applicable to the Grant Solicitation issued on August 14, 2023, and available at [www.business.ca.gov/CalCRG](http://www.business.ca.gov/CalCRG).

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## **General**

### **1. What is the California Community Reinvestment Grants (CalCRG) program?**

The CalCRG program is a grant program that was included in The Adult Use of Marijuana Act (Proposition 64), which was approved by California voters on November 8, 2016. In accordance with the proposition, the Governor's Office of Business and Economic Development (GO-Biz) will award grants to Local Health Departments (LHDs) and qualified Community-based Nonprofit Organizations (CBOs) to support the following activities for communities disproportionately affected by past federal and state drug policies, also known as the War on Drugs:

- Job Placement
- Mental Health Treatment
- Substance Use Disorder Treatment
- System Navigation Services
- Legal Services to Address Barriers to Reentry
- Linkages to Medical Care

### **2. May more than one organization partner together and submit a collaborative application?**

No, only single organization applications may be submitted.

### **3. How much funding is available to grantees during this award cycle?**

A total of \$48,000,000 is available<sup>1</sup>, of which 50 percent will be available to CBOs with average annual total revenue of \$5 million or less over their last three tax years. Therefore, applications from such organizations will be evaluated in comparison to other organizations that also meet this criterion. The remaining 50 percent of funding will be available to all other CBOs and Local Health Departments.

### **4. What is the size of the grant, and how long is the grant term?**

The minimum amount that may be requested is \$600,000 and the maximum amount is \$3,000,000. The grant term, or performance period, is 36 months. The total awarded amount is for the entire grant term. Grantees may spend grant funds on programmatic needs consistent with their approved budget and work plan.

### **5. Are the grant funds disbursed before or after the grantee provides the services proposed in its grant application?**

The CalCRG program is administered based on a reimbursement model, where the grantee will submit an invoice after the qualifying services have been rendered.

### **6. Can an organization submit more than one application?**

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<sup>1</sup> Amount may be adjusted – see Grant Solicitation for details.

No, an organization may only submit one application.

**7. Does the CalCRG program have a “match” requirement in which an applicant must secure funding from other sources to be eligible for a grant?**

The CalCRG program will reimburse 100 percent of direct personnel costs (wages and benefits only) for the employees (W-2 only) of the grantee that will be providing the proposed services. Employee training, equipment and materials, and all other direct costs will be reimbursed by the CalCRG program at a rate of 50 percent of the cost of the expenditure.

**8. If my organization was already awarded a CalCRG program grant, may it apply for another grant?**

CalCRG program grantees may apply for another grant only if their existing CalCRG program grant has been in effect for at least 12 months and they have expended at least 50 percent of the funds for their existing grant as evidenced by invoices submitted and approved by the Phase 1 application deadline. Additionally, the grantee’s progress and performance of its existing grant will be considered when evaluating subsequent grant applications.

**9. Some grant programs only provide funding for direct costs; are indirect costs allowed for the CalCRG program?**

Yes, the CalCRG program allows for indirect costs, but such costs may not exceed 17 percent of the total grant award.

**10. Funding from Proposition 64 was allocated for youth development and youth prevention services. Is this the same program as the CalCRG program?**

A large percentage of the youth prevention and education efforts included in Proposition 64 are funded by the [Youth Education, Prevention, Early Intervention and Treatment Account](#), with the funding disbursed to the State Department of Health Care Service. For the CalCRG program, Proposition 64 specified the six funding categories referenced in question number one above.

**11. Can an organization submit an application proposing services in more than one funding category?**

Yes, applicants may choose any combination of the previously mentioned funding categories.

**12. If an applicant includes an ineligible cost in their budget, may a lower amount be awarded than what was requested, or will the application be denied?**

Applicants that include ineligible costs in their budget, based on the guidance in the Grant Solicitation, may have their final budgets adjusted.

**13. Will Local Health Departments and Community-based Nonprofit Organizations apply with the same application, or will there be two separate applications?**

All applicants will complete the same application; however, some application questions and documents may not apply depending on the applicant type. Please review the Grant Solicitation for a list of required and supporting application documents for each applicant type.

**14. Some of the eligible services my organization would like to provide with the grant funds may require specialized skills that we are unable to provide directly; may I subcontract a small portion of the grant funds for this assistance?**

Subcontracted costs may not exceed the lesser of 20 percent of the overall budget or \$200,000. In addition, any use of subcontractors for evaluation activities may not exceed \$30,000 for the entire grant term. All subcontracted costs shall be reimbursed by the CalCRG program at a rate of 50 percent of the cost of the expenditure. The amounts referenced above are after application of the 50 percent reimbursement rate.

Any proposed use of subcontractors must be identified in the CalCRG Budget Spreadsheet and budget narrative of the Phase 2 application; however, applicants should discuss potential uses of a subcontractor in the Proposal Summary of the Phase 1 application. Each applicant must demonstrate why its proposed use of a subcontractor is a reasonable and necessary component of its provision of Eligible Services.

**15. Can eligible services be provided virtually?**

Yes, organizations may provide eligible services through virtual options, if applicable.

**Eligibility**

**1. Who may apply for the grants from the CalCRG program?**

Local Health Departments and Community-based Nonprofit Organizations (CBOs) may apply for grants from the CalCRG program. All CBOs that apply for a grant from the CalCRG program must:

- Have been duly organized, in existence, and in good standing for at least six months prior to the date the Grant Solicitation is issued by GO-Biz;
- Have a tax-exempt status with both the Internal Revenue Service and the California Franchise Tax Board;
- Be registered with the California Secretary of State's Office, with an "Active" status;

- Have a “Registry Status” of “Current” or “Exempt” with the California Attorney General’s Registry of Charitable Trusts;
- Have any other state or local licenses or certifications necessary to provide the proposed services (e.g., facility licensing by the Department of Health Care Services, etc.), if applicable; and
- Have a physical address in California.

All of the above referenced statuses must be met by the Phase 1 application deadline-no exceptions will be granted. CBOs that are interested in applying for a grant from the CalCRG program should check their current statuses with the following entities:

- [Internal Revenue Service](#)
- [California Secretary of State](#)
- [Franchise Tax Board](#)
- [California Attorney General’s Registry of Charitable Trusts](#)

Please see the “Eligible Applicants” section of the Grant Solicitation available at: [www.business.ca.gov/CalCRG](http://www.business.ca.gov/CalCRG) for complete eligibility requirements.

**2. Can for-profit organizations apply for a CalCRG program grant?**

No.

**3. May a nonprofit project use a fiscal sponsor to qualify for the CalCRG program?**

Yes, a nonprofit project may use an organization to serve as its fiscal sponsor. However, once a nonprofit project has filed Articles of Incorporation with the California Secretary of State and received its federal tax exemption from the Internal Revenue Service, it must meet all eligibility status requirements if it desires to use a fiscal sponsor. In addition, all individuals working on a fiscally sponsored project whose services will be reimbursed by the CalCRG program as “direct personnel costs” generally must become employees (W-2 only) of the fiscal sponsor. Furthermore, the fiscal sponsor must be an Eligible Applicant, as defined in the Grant Solicitation. When starting such an application, for the question that asks for the applicant organization’s legal name, enter the name of the fiscal sponsor, followed by “FBO” (for the benefit of) then the nonprofit project’s name. For the section of the application that asks for the applicant’s Federal Employer Identification Number, Secretary of State Entity Number, and Registry of Charitable Trust Number, enter the applicable numbers for the fiscal sponsor. For the question in the application that asks for the total revenue of the organization, answer the question based on the revenue of the nonprofit project. Also, in the Phase 1 Required Documents section of the application, upload a copy of the fiscal sponsorship agreement, as well as a copy of the fiscal sponsor’s IRS Form 990.

**4. Can an organization with an adverse eligibility status, such as a “suspended” status with the California Secretary of State, use a fiscal sponsor to qualify for the CalCRG program?**

No, an organization with an adverse eligibly status may not use a fiscal sponsor to circumvent program eligibility requirements.

**5. Are there any geographic eligibility requirements for the CalCRG program?**

Yes, the CalCRG program statute requires the funding for this program to be used for services provided to communities “disproportionately impacted by past federal and state drug policies”. As a result, the CalCRG program identified specific counties and census tracts that are eligible. Applicants may propose services in multiple eligible counties or census tracts. Please see the “Geographic Eligibility” section of the Grant Solicitation available at [www.business.ca.gov/CalCRG](http://www.business.ca.gov/CalCRG) for complete details.

**6. Since the CalCRG program is funded by cannabis excise and cultivation taxes, if my municipality forgoes legalized cannabis sales, is my organization disqualified from applying?**

No, your organization is not disqualified from applying. Organizations serving communities within such jurisdictions are still able to apply for CalCRG funding if all eligibility requirements are met.

**7. Are there any citizenship requirements for the populations my organization can serve with CalCRG funding?**

No.

**8. Are classifications such as community health workers, case managers, and “Promotoras” eligible classifications for funding?**

Yes, these are allowable classifications if the services provided by individuals in these classifications are within the funding categories referenced in question one in the “General” section of this document.

**9. Are services only intended for adults or can services be directed to the youth population?**

Services may be directed toward youth and/or adult clients, but the applicant must describe how the population they are proposing to serve has been affected by past federal and state drug policies.

**10. Are eligible service recipients limited to those who have been formerly incarcerated?**

Services are not limited to formerly incarcerated individuals, except under the “Legal Services to Address Barriers to Reentry” funding category. Preference Points may

be awarded in some instances if an applicant has a history of providing services to formerly incarcerated clients.

**11. Can we include clients who have been incarcerated in county jail for services under the Legal Services to Address Barriers to Reentry funding category?**

Yes.

**12. Can we include clients who are reentering society from juvenile detention under the Legal Services to Address Barriers to Reentry funding category?**

Yes.

**13. Where do we find information regarding the Attorney General's Registry of Charitable Trusts?**

Please visit <https://oag.ca.gov/charities> for more information regarding the California Attorney General's Registry of Charitable Trusts.

**14. Can funds be used for capital improvements on already rented or owned properties?**

At least 75 percent of the total grant award must be allocated to direct personnel costs (wages and benefits only) for the employees (W-2 only) of the applicant that will be providing the proposed services. Remaining funds may be used for capital improvements to an existing facility that supports eligible service delivery, however such expenditures will be reimbursed by the CalCRG program at a rate of 50 percent of the cost of the expenditure. In addition, the applicant's proposal should describe how the improvements are reasonable and necessary to support the services proposed in the application.

## **Application**

**1. How do I apply for a grant from the CalCRG program?**

The Online Application Portal will be available beginning August 21, 2023, via a link at [www.business.ca.gov/CalCRG](http://www.business.ca.gov/CalCRG). A detailed Online Application Portal User Guide, which outlines the steps to create an account and application, is also available at the above referenced website.

**2. When are applications due?**

The Phase 1 application for this fiscal year must be completed and submitted via the Online Application Portal no later than September 18, 2023, at 4:59 p.m. (Pacific Time).

**3. What criteria will the CalCRG program use to evaluate my application?**

The Phase 1 application review process and detailed scoring criteria can be found in the Grant Solicitation, which is available at [www.business.ca.gov/CalCRG](http://www.business.ca.gov/CalCRG).

Applicants that are invited to advance to the Phase 2 application process will be provided the Phase 2 Evaluation and Scoring Criteria.

**4. Are there any program priorities or preference points for certain activities?**

Yes, current CalCRG program priorities include proposals from organizations led by individuals directly impacted by the War on Drugs, organizations that serve formerly incarcerated individuals, and organizations placing individuals in jobs. Preference Points will be allocated to proposals that match current CalCRG program priorities.

**5. What are the character limits for questions in the application?**

Each narrative question in the application has a specific character limit which can be viewed after starting an application in the Online Application Portal for Phase 1, and within the Phase 2 Application document.

**6. Are the character limits intended to be a guide in how lengthy you want the responses to be?**

Our intention in creating the character limits is to ensure applicants have sufficient opportunity to explain their responses fully. It is up to the applicant to determine how much detail to include in their responses.

**7. Can multiple people work on one application?**

Yes. Each person (i.e., user) will need their own account to access the Online Application Portal. The user who created the application will then need to add each additional user access to the application. Please see the Online Application Portal User Guide located at [www.business.ca.gov/CalCRG](http://www.business.ca.gov/CalCRG) for more information.

**8. Can multiple counties be selected in the Geographic Eligibility section of the Application Information section?**

No. Select the county where the majority of the proposed services and/or the priority population are located. Additional counties where services will be provided can be discussed in the narrative portion of the application.

**9. Can multiple census tract numbers be listed?**

Yes, however it is not required to list all census tracts. Additional census tracts can be discussed in the narrative portion of the application.

**10. Does the Online Application Portal allow users to save their progress and come back to it later?**

Yes.

**11. If an organization files a Form 990-EZ instead of a Form 990, how do we complete the Form 990, Exempt Organization Tax Return Information section?**



In this section, for the first question, select “No” in the drop down and mark the section as complete. However, please upload the Form 990-EZ in the Required/Supporting Documentation section.

## **Contact Information**

If any additional assistance is needed, please email [CalCRG@gobiz.ca.gov](mailto:CalCRG@gobiz.ca.gov) or call 916-322-2683.