THE ENABLING MIDDLE MILE BROADBAND INFRASTRUCTURE PROGRAM

Budget Information – Application Guidance
Today's webinar will focus on the Middle Mile Grant Program – one of four high-speed Internet programs administered by NTIA.

<table>
<thead>
<tr>
<th>Program</th>
<th>Funding</th>
<th>Description</th>
<th>Note: Funding amounts inclusive of all administrative set-asides</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEAD Broadband Equity, Access &amp; Deployment Program</td>
<td>$42.45B</td>
<td>A program to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure where we need it to and increase adoption of high-speed Internet.</td>
<td></td>
</tr>
<tr>
<td>DIGITAL EQUITY Digital Equity Act</td>
<td>$2.75B</td>
<td>Three programs that provide funding to promote digital inclusion and advance equity for all. They aim to ensure that all communities can access and use affordable, reliable high-speed Internet to meet their needs and improve their lives.</td>
<td></td>
</tr>
<tr>
<td>TRIBAL Tribal Connectivity Technical Amendments</td>
<td>$2.00B</td>
<td>A program to help tribal communities expand high-speed Internet access and adoption on tribal lands.</td>
<td></td>
</tr>
<tr>
<td>MIDDLE MILE Enabling Middle Mile Broadband Infrastructure</td>
<td>$1.00B</td>
<td>A program to expand middle mile infrastructure, to reduce the cost of connecting unserved and underserved areas.</td>
<td></td>
</tr>
</tbody>
</table>
Middle Mile Grant Program will invest in the construction, improvement, or acquisition of middle mile infrastructure

**Funding pool**

$1.00B

A program to expand middle mile infrastructure, to reduce the cost of connecting unserved, and underserved areas

**PROGRAM HIGHLIGHTS**

Middle mile infrastructure refers to the "backbone" of Internet infrastructure, allowing the transfer of large amounts of data at high speeds over long distances to the "last mile" and local homes and businesses.

Entities eligible to apply include a wide variety of entities, but not limited to government entities, Native entities, utilities, companies, and non-profits that provide Internet services

Example uses of funds:

- Construction, improvement or acquisition of facilities and equipment
- Engineering design, permitting and work related to projects
- Personnel costs, including salaries and benefits
- Other costs necessary to program’s activities

**ESTIMATED TIMELINE**

Timeline approximate unless exact date specified

<table>
<thead>
<tr>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026+</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOFO live 5/13</td>
<td>Due 9/30</td>
<td>Rolling awards no earlier than 3/1</td>
<td>5-yr deployment</td>
<td></td>
</tr>
</tbody>
</table>
NTIA will grant up to $980M through $5-100M grants

NTIA will make up to $980M available for federal assistance under the Middle Mile Grant Program.

NTIA expects to make awards under this program within the following funding range: $5M to $100M.

This range is not a required minimum or maximum, but eligible entities requesting amounts for projects outside this range must provide a reasonable explanation for the variance in their project size.
NTIA will only accept applications submitted electronically via its online grants portal by September 30, 2022

Applications must be received through the NTIA Grants Portal no later than 11:59 p.m. EDT on Sept. 30, 2022

Please contact middlemile@ntia.gov with any questions and ngphelpdesk@ntia.gov for technical support with the portal

Application format requirements

• Figures, graphs, images, and pictures should be readable and may be presented in landscape

• Font should be easy to read and 11-point minimum; figures and tables may use smaller type

• One-inch margins on top, bottom, left, and right

• Portrait orientation except for figures, graphs, images, and pictures

• Page size 8 ½ by 11 inches

• All applications must be typed in English
Today's webinar will focus on the Budget Information portion of the Middle Mile Grant Program Application.
There are three topics that will be covered in the Budget Application section of the Middle Mile Grant Program:

- Middle Mile Grant Program Funding Requirements
- Grants Portal Budget Information
- Best Practices
Middle Mile Grant Program
Funding Requirements
Uses of Funding

The following are eligible, and ineligible uses of funding for the Middle Mile Grant Program:

**Eligible Uses**

Non-exhausting examples of eligible uses of funds:

- Construction, improvement, and/or acquisition of facilities and telecommunications equipment
- Engineering design, permitting and work related to environmental, historical and cultural reviews
- Personnel costs, including salaries and fringe benefits for staff and consultants (e.g., PMs, SMEs, financial analysts, accountants, attorneys)
- Select pre-application expenses <$50,000 incurred after NOFO publication and before grant award
- Other costs necessary to programmatic activities, excluding ineligible costs

**Ineligible Uses**

- Purchase or support of any covered communications equipment or service defined in Section 9 of the Secured and Trusted Communications Networks Act of 2019
- Profit, fee, or other incremental charge above actual cost incurred by an award recipient for subrecipient
- To support or oppose union organizing
- Use of grant funds for non-middle mile infrastructure

**Note:** Cost allowability must follow the provisions of 2 C.F. R. Part 200, Subpart E and 48 C.F.R. Part 31
## Cost Share Requirement

Applicants must commit to a non-federal cost share of **no less than 30%** of the total project's costs.

### OVERVIEW

<table>
<thead>
<tr>
<th>Acceptable Types</th>
<th>✓ Cash or third party in-kind contributions consistent with Uniform Administrative Requirements, 2 C.F.R. Part 200</th>
</tr>
</thead>
</table>
| Examples of Third Party In-kind Contributions (Non-Exhaustive List) | ✓ Non-cash donations of property  
✓ Goods, or services which benefit a federally assisted project  
✓ Employee or volunteer services  
✓ Equipment and/or supplies  
✓ Indirect costs  
✓ Computer hardware and software  
✓ Use of facilities  
✓ Broadband access to right of ways, pole attachments, conduits, easements, or access to other types of infrastructure |
| Waiver Request | ✓ Only Tribal Governments and Native entities may request a partial or complete waiver of the cost share requirement |
| Review Process | ✓ Applicant’s commitment to contribute a non-federal cost share of 30% or more will be scored using the following point structure during the review process:  
• 5 points for 30 - 40% cost share  
• 10 points for 41- 50% cost share  
• 15 points for more than 50% cost share  
✓ Applicants must propose cost share of 30% or greater to proceed past initial review |
There are three sections to complete for the Budget Information portion of the Middle Mile Grant Program Application:

- **Financial Information**
- **Standard Form 424C: Budget Information - Construction Prgms.**
- **Budget Narrative, Detailed Budget, and Related Documents**
Grants Portal Budget Information:
1. Financial Information
Financial Information – Upload Documentation

Each applicant must upload the following documentation listed below into the NTIA Grants Portal to show their financial capability.

- **Certification of Financial Capability**
- **Pre-Letter of Credit/Legal Counsel Opinion Letter**
- **Audited Financial Statements**
- **Historical Financial Statements**

*Item uploaded by applicant into the NTIA Grants Portal*  
*Item input directly into the NTIA Grants Portal*  
*Fillable form uploaded by applicant into the NTIA Grants Portal*
Certification of Financial Capability

A certification from an officer-level employee attesting that the applicant:

- Is financially qualified to meet the obligations of the project
- Will have funds available for all project costs that exceed the amount of the grant
- Will comply with all Middle Mile Grant Program requirements and service milestones
Letter of Credit*

- Letter of credit from a bank providing no less than 25% of the requested award amount, and the
- Bank agrees to follow the terms and conditions of NTIA’s model letter of credit

* Note: Applicants must submit a Pre-Letter of Credit commitment from the bank stating that, if awarded, a Letter of Credit will be provided
Audited Financial Statements (Previous 3 Years)

- Financial statements from the last three (3) fiscal years that have been audited by an independent certified public accountant
- If audited financial statements are unavailable, submit unaudited financial statements from the three (3) prior fiscal years
- Unaudited statements must be audited by an independent certified public accountant by an NTIA specified deadline
- If the applicant’s organization was established less than three (3) years ago, the applicant should provide all available information.
Historical Financial Statements

Historical Financial Statements
(Previous 3 Years)

- Summary-level historical revenue, expenditure, and net asset financial information based on the detailed financial statements for the last three (3) years
- If the applicant’s organization was established less than three (3) years ago, the applicant should provide all available information

Item uploaded by applicant into the NTIA Grants Portal

Item input directly into the NTIA Grants Portal

Fillable form uploaded by applicant into the NTIA Grants Portal
Grants Portal Budget Information:
2. SF-424 C: Budget Information for Construction Programs
Applicants will complete the SF-424C in the Grants Portal

**SF-424C: Budget Information for Construction Programs**

- Applicants will input the SF-424C data directly into the NTIA Grants Portal
- Totals for each cost classification must match the totals on the applicant’s SF-424, Budget Narrative, and Detailed Budget Spreadsheet

*Note: Applicants are encouraged to complete this fillable PDF form as a draft prior to inputting the form contents in the Grants Portal.*
SF-424C: Cost Classifications Overview

These classifications are also used in the Budget Narrative and Detailed Budget Justification Spreadsheet

<table>
<thead>
<tr>
<th>COST CLASSIFICATION</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Administrative and Legal Expenses</td>
<td>Accounting, auditing, contracting, budgeting, and legal services in support of construction; general office supplies; general and administrative salaries and wages, etc. Administrative or filing fees or costs and indirect costs (If including indirect costs, attach a copy of most recent negotiated indirect cost rate agreement)</td>
</tr>
<tr>
<td>2. Land, Structures, Rights-of-Way, Appraisals, etc.</td>
<td>Estimated site and right(s)-of-way costs, including purchase, lease, and/or easements</td>
</tr>
<tr>
<td>3. Relocation Expenses and Payments</td>
<td>Relocation advisory assistance, replacement housing, relocation payments made to displaced persons or businesses</td>
</tr>
<tr>
<td>4. Architectural and Engineering Fees</td>
<td>Start-up services, preparing project performance plans, etc.</td>
</tr>
<tr>
<td>5. Other Architectural and Engineering Fees</td>
<td>Costs and fees for surveys, tests, soil borings, field studies, etc.</td>
</tr>
<tr>
<td>6. Project Inspection Fees</td>
<td>Engineering inspection fees, including local, Tribal, or Federal fees directly related</td>
</tr>
<tr>
<td>7. Site Work</td>
<td>Work, preparation, restoration, or utility work not included in construction contract(s)</td>
</tr>
<tr>
<td>8. Demolition and Removal</td>
<td>Estimated demolition and removal costs</td>
</tr>
<tr>
<td>9. Construction</td>
<td>Construction contracts and construction related costs not covered by the construction contract(s)</td>
</tr>
<tr>
<td>10. Equipment</td>
<td>Does not include any equipment components already included in any construction contracts. Include brand or manufacturer, estimate price, and technology specifications</td>
</tr>
<tr>
<td>11. Miscellaneous</td>
<td>Any costs that do not fit into the listed classifications</td>
</tr>
<tr>
<td>12. Subtotal of items 1 through 11</td>
<td>--</td>
</tr>
<tr>
<td>13. Contingencies</td>
<td>Contingency costs are allowable but must be reasonable and consistent with the cost principles, specifically 2 CFR § 200.433.</td>
</tr>
<tr>
<td>14. Subtotal of lines 12 and 13</td>
<td></td>
</tr>
<tr>
<td>15. Project (Program) Income</td>
<td>Project or program income must be reported in accordance with 2 CFR § 200.307</td>
</tr>
</tbody>
</table>
The total cost for each classification must match the SF-424, Budget Narrative, and Detailed Budget Justification Spreadsheet.

All costs must meet eligibility requirements and be reasonable, allocable, allowable and necessary based on the scope of work. Enter any portion of a cost classification that is not allowable for federal assistance under Cost Not Allowable for Participation.
The maximum Federal Percentage Share cannot be greater than 70%.

The amount displayed in this section must match the federal funding requested in the General Budget Overview and the Detail of Project Costs, and tie to the exact dollar in all relevant sections on the application.

**FEDERAL FUNDING**

17. Federal assistance requested

Federal Percentage Share

Total Allowable Costs (eligible costs from line 16c Multiplied b... $0.00

Note: Only Tribal Governments and Native entities that obtain a partial or complete waiver of matching funds can request more than 70% of the total project costs
Once you complete the SF-424C and click the Save button, a new browser tab will open with the completed form in PDF format. **Retain this form for your records!**
Grants Portal Budget Information:
3. Budget Narrative, Detailed Budget, and Related Documents
Applicants must provide the following information for the Budget Application section:

**Budget Narrative**
- Draft a narrative describing proposed activities and costs

**Detailed Budget Justification Spreadsheet**
- Provide cost details and cost-share information

**Pro Forma Projection and Analysis Spreadsheet**
- Forecast project sustainability across an eight-year span

**Additional Funding Check Y/N and Narrative**
- Describe additional funding sources, if applicable

**Note:** Templates provided in the Application Guidance Package MUST be used to provide the information requested.
All applicants must complete a **Budget Narrative** explaining and justifying the expenditures for the listed costs.

- Applicants must use the template provided by NTIA in the Application Guidance Package.
- The Budget Narrative must be uploaded as a Word file.
- The listed amounts for each cost classification in your budget narrative must match the SF-424, SF-424C, and Detailed Budget Justification Spreadsheet.

All applications for MDG projects must have a detailed budget narrative explaining and justifying the federal expenditures by object class as listed in the SF-424.

For each object class in the SF-424, applicants should include detailed descriptions and cost justifications for the listed costs. The budget narrative must match the detailed budget justification spreadsheet and SF-424 dollar amounts. The budget narrative must also match the total dollar amount on the SF-424.

Costs proposed for this grant program must be reasonable, allowable, allocable, and necessary to the supported activity. Please refer to 2 CFR Part 200 for applicable administrative requirements and cost principles. Please refer to the Notice of Funding Opportunities (NOFO) for program objectives as well as specific allowable and unallowable costs and activities.

For each cost listed below, the applicant must provide the breakdown of each cost, applicants must provide a description of such change to include what it is, who will be doing it (if applicable and if known), and how it relates to the project objectives. If the applicant will be providing a cash or in-kind match in this cost category, this must be noted and explained in the justification to include a breakdown of the Federal and non-Federal share of each proposed cost.

**Total Federal Funding for MDG Project**

List the total requested funding at the top of the budget narrative. The total listed here must match the total in the SF-424, SF-424C, and the detailed budget justification spreadsheet.

Applicants should list total project costs, the total Federal grant request, total cash match (if applicable), and total in-kind match (if applicable). The applicant should then provide the total matching funds for all match costs as a percentage of total project costs.

- **Administrative and Legal expenses**

Examples of administrative and legal expenses may include costs attributable to accounting, auditing, contracting, budgeting, and legal services in support of the construction of the project, general office supplies, and general and administrative salaries and wages. Costs related to the normal functioning of government must not be included. Please be advised that some of the costs above may be considered indirect costs, and if so, should not be charged to the award as a direct cost and must be applied in accordance with 2 CFR § 200.412.

Administrative and legal fees should be listed by category (e.g., travel, grant management, etc.), or broken down by line item as much as possible. Each line item should include the total line item (e.g., total number of hours), cost per unit, and the total cost for that line item. If applicable, time commitments (such as hours or level of effort) should be provided.
Budget Narrative cont.

**Budget Narrative**

Required components:

- A header with the applicant's name, type of organization, period of performance, amount of funds requested, and a breakout of any matching funds being provided for the project.
- Clearly connect the entries to the information included in the Detailed Budget Justification Spreadsheet.
- Only reflect allowable costs consistent with the project’s scope.
- Provide itemization for each cost and a full description, including the necessity and basis of each charge.
- Provide an itemized breakout of all non-federal cost sharing and matching funds by budget category.

**Example: Construction - $xxx (Insert the total category cost)**

Provide a description of any construction activities for the project. Include all applicable taxes and delivery fees into the line/item cost (do not have separate line items for those charges).

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit Basis</th>
<th>Unit Cost</th>
<th>Number of Units</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boring</td>
<td>Per Foot</td>
<td>$5.50</td>
<td>111,500</td>
<td>$613,250</td>
</tr>
<tr>
<td>Wireless Tower</td>
<td>Each</td>
<td>$20,000</td>
<td>8</td>
<td>$160,000</td>
</tr>
</tbody>
</table>

**Example detail:**

Boring ($613,250) – Charge is per foot for an estimate of 111,500 feet. The estimated 111,500 feet is based on the number of boring locals in later cables and on a main route next to one of the nodes. Prices are from a local vendor quote.

Wireless towers ($160,000) – Eight (8) wireless towers at $20,000, totaling $160,000. Each monopole tower will facilitate interconnection by last mile service providers and meet open network standards. Price is quoted by two local vendors and is average for the local area.

**Note:** See the Budget Narrative Template and Middle Mile Application Guidance for more examples.

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Item uploaded by applicant into the NTIA Grants Portal  
Item input directly into the NTIA Grants Portal  
Fillable form uploaded by applicant into the NTIA Grants Portal
Applicants **must** use the template provided in the Application Guidance Package to complete the **Detailed Budget Justification Spreadsheet**.

Federal Funds Requested cannot exceed 70% of total project cost.

See 2 CFR § 200.306 for detailed information on cash matching and in-kind contributions.

Match Percentage must be at least 30%*

---

### Detailed Budget Justification Spreadsheet

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Unit Cost</th>
<th>No. of Units</th>
<th>Total Cost</th>
<th>Federal Funds Requested</th>
<th>Cash Match Amount</th>
<th>In Kind Contribution Value</th>
<th>Match Type (Cash/In Kind/Both)</th>
<th>Match Percentage</th>
<th>Allowable Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Administrative and Legal Expenses**

*Note: Except for Tribal Governments and Native entities with a waiver*

Total dollar amounts must match the amounts in the SF-424, SF-424C, and Budget Narrative.

* Fillable form uploaded by applicant into the NTIA Grants Portal
* Item input directly into the NTIA Grants Portal
* Item uploaded by applicant into the NTIA Grants Portal

* Match Percentage must be at least 30%*

---

Federal Funds Requested cannot exceed 70% of total project cost.

See 2 CFR § 200.306 for detailed information on cash matching and in-kind contributions.

Match Percentage must be at least 30%*
Pro Forma Projection and Analysis

Pro Forma Projection and Analysis Spreadsheet

- Applicants must provide information related to the project’s sustainability for an eight-year forecast period
- This includes subscriber services such as last mile network connections or other wholesale services
- Applicants must complete the spreadsheet using the template provided in the Application Guidance Package
- Applicants must upload the spreadsheet into the NTIA Grants Portal once completed
Sources of Additional Funding

Additional Funding Check Y/N and Narrative

Applicant is to provide information on other funding for this project, such as but not limited to:

- Funds provided for the purpose of deploying broadband services (e.g., American Rescue Plan Act of 2021; Families First Coronavirus Response Act; The Care Act; Consolidated Appropriations Act, 2021) – use of these funds must comply with statutes
- Financial Relationships and partnerships
- State or locality fee waivers
Best Practices
Applicants should pay close attention to application requirements to avoid delays in review

**Common Mistakes**

In previous NTIA programs, some of the most common reasons for curing included **missing or incomplete forms**.

Common curing reasons included:

- Ineligible use of funding
- Not meeting the required cost share minimum of 30%
- Funding is not sufficient to complete the task outlined in the project
- Costs are not reasonable, allowable, and allocable based on the scope of work
- A detailed narrative breakout is not provided for each cost in the Budget Narrative
- Total federal budget amounts requested in Field 18 of the SF-424 do not align to the number in the SF-424C, Budget Narrative, or Detailed Budget Justification

**Best Practices**

Ensure that all forms are completed per the instructions in the NOFO, to include formatting requirements and **all required forms and documents have been uploaded or narrative** have been directly entered into the NTIA Grants Portal, including:

- Certification of Financial Capability
- Pre-Letter of Credit
- Audited Financial Statements
- Historical Financial Statements
- SF-424C
- Budget Narrative
- Detailed Budget Justification
- Pro Forma Financial Projection and Analysis
- Y/N: "Any other funding provided for this project?"

Ensure budget is prepared in accordance with 2 C.F.R. Part 200, Subpart E and 48 C.F.R. Part 31
Additional resources for the Middle Mile Grant Program

1. Visit the InternetForAll.gov website for additional information on federal funding programs

2. Engage with your State or territory regarding their plans to improve high-speed Internet access

3. Submit questions to middlemile@ntia.gov

4. Attend future NTIA webinars, including program-specific application guidance webinars for applicants
Programmatic inquiries

Sarah Bleau
Middle Mile Director
Office of Internet Connectivity and Growth
National Telecommunications and Information Administration
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230
Phone: (202) 482-2048
Email: middlemile@ntia.gov

Grant Management inquiries

Scott McNichol
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Grants Management Division
National Institute of Standards and Technology
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Boulder, CO 80305
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Email: scott.mcnichol@nist.gov

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Washington, DC 20230
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Email: press@ntia.gov

For specific inquiries, please contact the appropriate office