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## Connecting Minority Communities Pilot Program

CMC Grant Recipient Handbook



U.S. Department of Commerce

National Telecommunications and Information Administration

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## Introduction

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Congratulations on becoming a National Telecommunications and Information Administration (NTIA) grant award recipient under the Connecting Minorities Communities (CMC) Pilot Program. Your award will be serviced by the National Institute of Standards and Technology (NIST) Grants Management Division (GMD). Together, NTIA Federal Program Officers (FPOs) and NIST GMD Grants Officers are here to support your transition from applicant to grant recipient and provide support as you begin implementing your grant. In addition, this Grant Recipient Handbook is provided as a quick reference tool. The goal of assembling this Grant Recipient Handbook is to ensure that you have information and resources on hand to successfully carry out your award in accordance with the Federal and agency terms and regulations.

*This guidance document is for informational purposes only and is intended solely to assist grant recipients in better understanding the NTIA CMC Pilot Program and the requirements set forth in the award terms and conditions for this program. This guidance does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, or the specific requirements set forth in the terms and conditions of a CMC grant award. In all cases, statutory and regulatory mandates, and the requirements set forth in the terms and conditions of a CMC award, shall prevail over any inconsistencies contained in this guidance.*

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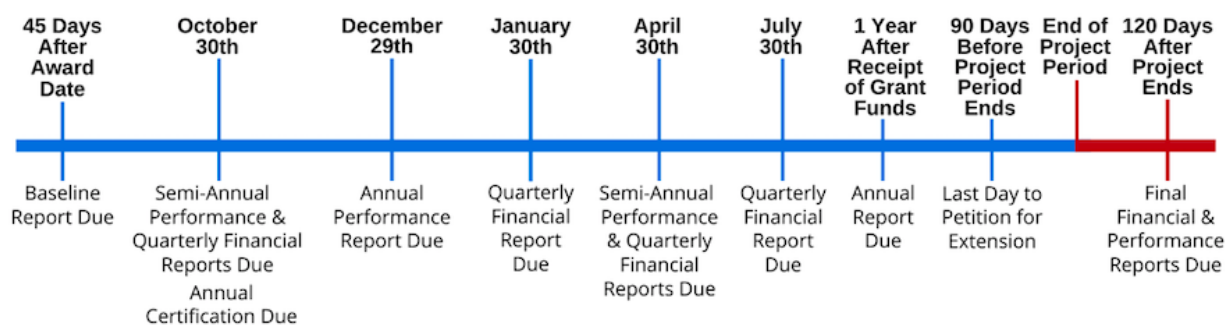
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## 1. What are the Key Dates for Connecting Minority Communities Pilot Program?

The Connecting Minority Communities (CMC) Pilot Program period of performance is two years, unless the recipient requests an extension and the request is extended in writing by the Grants Officer.<sup>1</sup> Following the acceptance of an award, recipients will need to track their award information to determine their period of performance and report due dates. This information can be found in the CD-450 (Financial Assistance Award) and Specific Award Conditions (SACs) of the grant and will help to determine key dates and reporting requirements. See the chart and table below for key deadlines that should be tracked. Both the National Telecommunications and Information Administration (NTIA) and the National Institute of Standards and Technology (NIST) Grants Management Division (GMD) will send helpful reminders and technical assistance, as needed, to ensure recipients meet the key dates listed in their SAC.

Figure 1: Key CMC Pilot Program Deadlines



NTIA is currently working with the Office of Management and Budget (OMB) to finalize the CMC Pilot Program report mechanisms including the Baseline Report, Performance (Technical) Report, and Annual Report templates. The Program Office will provide additional guidance and instructions on reporting once these templates are approved. If you have questions on reporting, please reach out to the Federal Program Officers (FPO).

Table 1: CMC Pilot Program Reporting

Report Type	Reporting Period	Submission Method	Data Submitted by Recipient
Baseline Report	Within 45 calendar days of award date	<b>Form:</b> Baseline Report Submit via email to Assigned FPO and CC: <a href="mailto:greports@nist.gov">greports@nist.gov</a>	Baseline project plans and details regarding key outputs and outcomes from the project.

<sup>1</sup> Requests for an extension of the two-year award period must be submitted no later than 90 calendar days before the end of the award period. Extension requests must include evidence that (i) the eligible recipient has a plan for use of the grant funds; (ii) the execution or implementation of the project is underway; and/or (iii) extenuating circumstances require an extension of time to allow the project to be completed.



Report Type	Reporting Period	Submission Method	Data Submitted by Recipient
Quarterly Financial Report	Jan. 1 – Mar. 31 <b>Due:</b> April 30 Apr. 1 – June 30 <b>Due:</b> July 30 July 1 – Sept. 30 <b>Due:</b> October 30 Oct. 1 – Dec. 31 <b>Due:</b> Jan. 30	<b>Form:</b> SF-425 FFR  Submit via email to <a href="mailto:greports@nist.gov">greports@nist.gov</a> and CC: Assigned FPO	Performance on key financial indicators.
Final Financial Report	Cumulative award period  <b>Due:</b> 120 days after end of project period	<b>Form:</b> SF-425 FFR  Submit via email to <a href="mailto:greports@nist.gov">greports@nist.gov</a> and CC: Assigned FPO	Performance on key financial indicators.
Semi-Annual Performance (Technical) Report	Oct. 1 – Mar. 31 <b>Due:</b> April 30 Apr. 1 – Sept. 30 <b>Due:</b> October 30	<b>Form:</b> Performance (Technical) Report  Submit via email to <a href="mailto:greports@nist.gov">greports@nist.gov</a> and CC: Assigned FPO	Performance on key programmatic indicators and budget.
Annual Performance (Technical) Report	Oct. 1 – Sept. 30  <b>Due:</b> December 29 except when a Final Performance Report is due	<b>Form:</b> Annual Performance (Technical) Report  Submit via email to <a href="mailto:greports@nist.gov">greports@nist.gov</a> and CC: Assigned FPO	Performance on key programmatic indicators and budget.
Final Performance (Technical) Report [Closeout Report]	Cumulative award period  <b>Due:</b> 120 days after end of project period	<b>Form:</b> Final Performance (Technical) Report  Submit via email to <a href="mailto:greports@nist.gov">greports@nist.gov</a> and CC: Assigned FPO	Performance on key programmatic indicators and budget.
Annual Report	1 year period preceding report date  <b>Due:</b> No later than 1 year after receiving grant funds; annually thereafter	<b>Form:</b> Annual Report  Submit via email to Assigned FPO and CC: <a href="mailto:greports@nist.gov">greports@nist.gov</a>	Describe how funds were expended, certify that the covered partnership complied with all requirements, and identify each subrecipient that received a subgrant with a description of the specific project.

Report Type	Reporting Period	Submission Method	Data Submitted by Recipient
Annual Certification	1 year period preceding report date  <b>Due:</b> October 30, 30 days after the end of each Fiscal year in which grant funds are available	<b>Form:</b> Certification regarding Compliance with Statutory and Programmatic Requirements (NOFO Appendix A)  Submit via email to Assigned FPO and CC: <a href="mailto:greports@nist.gov">greports@nist.gov</a>	Confirm compliance with all required statutory and programmatic conditions.

## 2. What are the Required Documents?

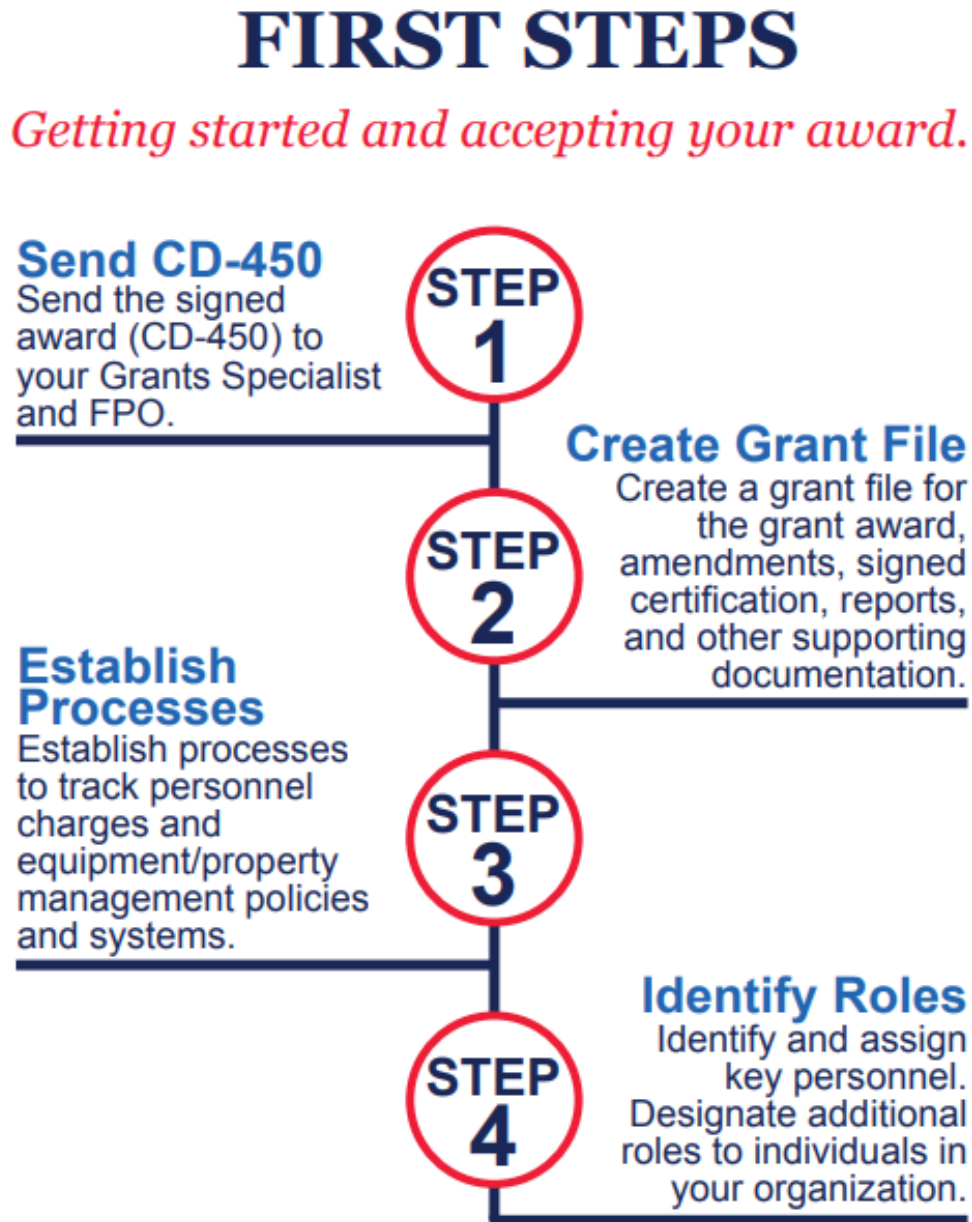
The grant recipient is required to submit the documents listed in Table 2 to NIST GMD.

**Table 2: CMC Pilot Program Required Documents**

Document Type	Purpose
<b>CD-450 (Financial Assistance Award document)</b>	This form is the official notice of award issued by the NIST Grants Officer electronically by email.
<b>CD-451 (Amendments)</b>	This form amends your award as a result of an award amendment.
<b>SF-425 (Federal Financial Report)</b>	Used by CMC Pilot Program recipients to submit reports on their grant's financial progress on a quarterly basis.
<b>Baseline Report</b>	This report is required for CMC Pilot Program recipients to provide data at the start of the award and a better understanding of CMC Pilot Program recipients' project plan as a baseline.
<b>Performance (Technical) Report</b>	This form is used for CMC recipients' report activities and financial information conducted semi-annually and on an annual basis.
<b>Annual Report</b>	This form allowed CMC recipients to report cumulative activities conducted and Federal finances expended.
<b>Final Performance (Technical) Report</b>	This report is required for CMC recipients to report all activities, Federal funds expended, and lessons learned during the entire period of performance.
<b>Form SF-428 (Tangible Personal Property Report)</b>	This form is used by CMC recipients to enable NIST to collect information related to tangible personal property when required by a Federal financial assistance award. The SF-428 will be collected during the closeout process, if applicable.
<b>Form SF-429 (Real Property Status Report)</b>	This form is used by CMC recipients to report real property status or to request agency instructions on real property that was/will be provided as Government Furnished Property (GFP) or acquired in whole or in part under a Federal Financial assistance award. The SF-429 will be collected during the closeout process, if applicable.

### 3. What Should I Do First?

Figure 2: First Steps





### a. Key Recipient Roles

CMC Pilot Program recipients should have the following key roles designated: Authorized Organization Representative (AOR), Project Director (PD), and Automated Standard Application for Payments (ASAP) Payment Requestor. In addition, recipients may assign additional roles in ASAP, as outlined in Table 3 below.

**Table 3: Recipient Key Personnel and ASAP Roles**

User Role	Description	Notes
AOR/Recipient Authorized Representative (RAR)	Has signatory authority for all official grant documents and can also countersign Award Documents. AORs ensure overall grant compliance.	Requires an Unfunded Grant Action (UGA) to amend.  Submit changes to <a href="mailto:UGAM@nist.gov">UGAM@nist.gov</a> after consulting with the FPO.
PD/Project Investigator (PI)	Manages the project timeline, activities, and reporting process. They can be the same staff member as the AOR. The PD can initiate UGAs with the NIST Grant Specialist.	Requires a UGA to amend.  Submit changes to <a href="mailto:UGAM@nist.gov">UGAM@nist.gov</a> after consulting with the FPO.
Key Personnel	Can view assigned awards for their organization and initiate UGAs. A person with this role cannot submit directly to NTIA.	Requires a UGA to amend.  Submit changes along with a resume or cover letter for the new key personnel to <a href="mailto:UGAM@nist.gov">UGAM@nist.gov</a> after consulting with the FPO.
Payment Requestor-ASAP	Personnel is responsible for drawing down grant funds in the ASAP System by initiating payment requests. They may also reconcile all financial data.	
Point of Contact (POC)-ASAP	Responsible for adding, modifying, and deleting recipient officials in ASAP.	
Head of Organization (HOO)-ASAP	Recipient management official who approves or rejects the officials named by the Point of Contact. The HOO can add officials but not delete officials.	Only one person shall be designated as the HOO.
Re-Delegated Head of Organization (RHOO)-ASAP	Can act on behalf of the HOO to approve officials.	
Authorizing Official (AO)-ASAP	Confirms the recipient's information and identifies users (e.g., payment requestor) who need access to ASAP.	This role is not synonymous with and must not be confused with the AOR identified in the award agreement.

User Role	Description	Notes
Financial Official (FO)-ASAP	Enters the bank account information for the non-Federal entity.	
Payment Requestor (PR)-ASAP	May request funds from the non-Federal entity's ASAP account.	

## 4. Who Should I Contact?

For additional information on topics such as monitoring, UGAs, or other specific grant-related topics, please use the CMC Pilot Program contact tree below. The contact tree shows the Point of Contact for topics pertaining to your grant.

**Table 4: CMC Pilot Program Contact Tree**

CMC Pilot Program Office		
Topic	Person of Contact	Notes
Program compliance	NTIA FPO	
Grants monitoring activities	NTIA FPO and NIST Grants Specialist	
Records and record retention schedule	NTIA FPO	Costs require supporting documentation. It is a good strategy to maintain as much documentation as necessary.
UGA processing	NTIA FPO and NIST Grants Specialist	FPO reviews and makes recommendations of UGA to NIST Grants Specialist. UGA recommendation is emailed to the assigned Grants Specialist. NIST Grants Officer approves and executes the UGA.
Substantive changes to your award	NTIA FPO and NIST Grants Specialist	Personnel changes, project changes
Reimbursement-only drawdowns	NIST Grants Specialist	Recipients will be notified in the SACs if they are identified as requiring Reimbursement-only drawdown procedures and what those procedures are.

## 5. How Do I Drawdown Funds via ASAP?

Recipients receive CMC Pilot Program payments using the Department of the Treasury's ASAP system. Under the ASAP system, payments are made through preauthorized Electronic Funds Transfers. To receive payments under ASAP, recipients are required to enroll with the Department of Treasury, Financial Management Service, and Regional Financial Centers, which allows them to use the online and Voice Response System (VRS) method of withdrawing funds from ASAP accounts.

Awards paid under the ASAP system will contain a SAC describing any controls or withdrawal limits set in the ASAP system. Typically, recipients will withdraw funds through one of two methods:

- **Funding Advances:** Unless otherwise specified in the terms of an award, withdrawal of funds through the ASAP system are considered funding advances. Advances are limited to the minimum amounts necessary to meet immediate disbursement needs, but in no case should exceed the amount of cash required for a 30-day period. Recipients make requests for advances through ASAP without intervention by the CMC Pilot Program Office or NIST Grants Office. However, the ASAP Helpdesk can assist recipients with making these requests as needed. The terms of some awards limit the types of activities for which funds can be drawn down.
- **Funding Reimbursement:** Reimbursement is used in cases where the CMC Pilot Program Office or the NIST GMD has limited information about the financial soundness of a recipient, or when there are other circumstances or risk factors that indicate the need for added controls in disbursing cash. Some recipients may have reimbursement payment provisions in the original award terms and conditions, or they may be added later through an award amendment if monitoring or compliance findings reveal financial or administrative inadequacies.

### a. ASAP Step by Step Tutorial

To register with ASAP, the recipient should:

**Step 1:** If your organization is already registered in ASAP, you will still need to provide the ASAP Coordinator with information so they can manually link your account to the CMC Pilot Program. To enroll in ASAP, the recipient should have several pieces of information, including:

- Recipient's organization name and organization type
- Recipient's point of contact and title of contact
- Recipient's mailing address
- Recipient's point of contact email address
- Recipient's fax number
- Recipient's telephone number
- Recipient's DUNS/UEI number
- Recipient's EIN

**Step 2:** Within five days of sending the Grants Specialist the information listed above, the recipient should receive an email confirmation from ASAP along with user identification (ID). Within seven days, the recipient will receive a password via U.S. mail.

**Step 3:** Upon receiving an ASAP ID and password, log into ASAP at [www.asap.gov](http://www.asap.gov) using the user ID and password and enter the required information on the organization's officials.

- **Designated Head of Organization (HOO):** The HOO will designate the AO and FO designees.
- **Designated AO:** The AO defines the RO profile and the RO users (*i.e.*, primary requestor).
- **Designate FO:** The FO defines the banking information and links to the NTIA (ALC) (13060001) and Region Code (RC) (02). The FO certifies and signs the banking information form.

**Step 4:** Receive ASAP enrollment confirmation email. The recipient enrollment steps in ASAP are complete when the AO and FO designees are approved and banking information is certified and submitted. The Grants Office will email the recipient to notify them that enrollment is complete and funds are available to drawdown.

Recipients should use the following resources for assistance:

- NIST Grants Officer: See the award package for contact information
- General guidance on the Department of Treasury's website: [www.fms.treas.gov/asap](http://www.fms.treas.gov/asap)

**Table 6: ASAP Contact Information**

ASAP Contact Information			
Location	Time Zone	Phone	Business Hours
Philadelphia ASAP Regional Office	Eastern	(215) 516-8021	7:30 a.m. – 4:00 p.m.
Kansas City ASAP Regional Office	Central	(816) 414-2100	7:30 a.m. – 4:00 p.m.
San Francisco ASAP Regional Office	Pacific	(510) 594-7182	7:30 a.m. – 4:00 p.m.

## 6. What are Unfunded Grant Actions?

### a. Unfunded Grant Actions

The CMC Pilot Program UGAs, also called Unfunded Award Requests (URAs) and Award Action Requests (AARs), are one-time or irregular events involving changes to a recipient's project, such as changes to contact information, project scope, or budget. Depending upon the type of change, a UGA may result in an amendment to the award document on Form CD-451 or an administrative change letter signed by the Grants Officer. This section describes types of acceptable project modifications and instructions for submitting an UGA.

## b. Types of Unfunded Grants

The list below describes common types of acceptable project modifications. **Recipients should consult with their FPO before submitting the CMC Pilot Program UGA request to the Grants Specialist.** Only the Grants Officer may provide final approval of a UGA. Recipients should report changes to the CMC Pilot Program Office in accordance with 2 CFR § 200.308. It is important to note that prior approval from the Grants Officer is required to effectuate any of the below actions, although certain actions do not require the Grants Officer to issue a formal award amendment via a CD-451.

**Table 7: CMC Pilot Program Award Action Requests**

Types of CMC Pilot Program Unfunded Grant Actions			
Action Requested	Description	Where to Process?	Amendment Required?
Change in project scope	Modification to the project program or budget from the original or modified application. Changes are considered on a case-by-case basis and may be requested at any time prior to the completion of the award closeout process but must be made prior to the recipient implementing the changes. Changes in project scope may also require a modification of the budget (see below).	UGAM@nist.gov	Yes
Change in a key person	Addition or modification of a key person (e.g., AOR) beyond those specified in the original or modified application.	UGAM@nist.gov	Yes
Modification of budget categories	Modification of budget categories by sending an SF-424A, budget detail, and narrative are required when the revision results from a change in scope or objective of the award, the need arises for additional Federal funds to complete the project, or a revision is desired which involves specific costs for which prior written approval is required by applicable OMB cost principles listed in 2 CFR Part 200 Subpart E.	UGAM@nist.gov	Yes
Change in institution name	Modification to the institutional name specified in the original or modified application.	UGAM@nist.gov	Yes
Completion of "actionable" SACs	Completion of activities required to fulfill a recipient's SACs, such as completion of an environmental assessment or resolution of an overlap SAC.	UGAM@nist.gov	Yes
Extension Request	Extend the period of performance up to 1 year. Must be sent at least 90 days before period of performance end date.	UGAM@nist.gov	Yes

Types of CMC Pilot Program Unfunded Grant Actions			
Action Requested	Description	Where to Process?	Amendment Required?
Other	Other types of UGAs not listed above may be sent and reviewed, as needed.	UGAM@nist.gov	Consult with Grants Specialist

### c. Unfunded Grant Action Submission Requirements Notification

All CMC Pilot Program UGAs begin with consultation with the CMC Pilot Program Office. Before sending a UGA, the recipient should contact the Grants Specialist and FPO for assistance to determine the type of UGA that is needed.

The recipient sends a UGA by email to [UGAM@nist.gov](mailto:UGAM@nist.gov). Then, the NIST GMD reviews the request with input from the FPO and notifies the recipient by email of the approval or rejection of the request within 30 calendar days if no additional revisions by the recipient are required. All UGAs must be sent to the Unfunded Grant Actions Mailbox (UGAM) prior to the award end date. After the closeout period has expired, the following UGAs will only be considered under extraordinary circumstances and with sufficient documentation justifying the request: (1) Extension to Closeout; and (2) Sending Additional Closeout Documents.

#### Figure 3: UGA Submission Process

To submit a UGA, recipients should do the following:

1. Consult with the FPO to determine which type of UGA recipient should send.
2. Send an email to [UGAM@nist.gov](mailto:UGAM@nist.gov) with the subject line containing the following:
  - a. Recipient Name
  - b. Award #
  - c. Project Director
  - d. Action to be taken
3. The NIST Grants Office will confer with the FPO and render a final decision on the UGA request.

### d. Changes in Project Scope

Per 2 CFR § 200.308(c)(1), recipients are required to request pre-approval for a change in scope or the objective of the project or program.

Actions likely to be considered a change in scope (and therefore require pre-approval) include but are not limited to a change or shift in the specific goals, objectives, or project areas approved at the time of the award. In general, the PD or AOR may make changes in the methodology, approach, or other aspects of the project objectives. However, the recipient must obtain prior approval from the CMC Pilot Program Office and the Grants Officer for a change in the direction, type of project or training, or other areas that constitute a significant change from



the aims, objectives, or purposes of the approved project. The recipient must make the initial determination of the significance of a change and should consult with their FPO as necessary.

The justification for the Change in Scope may either be entered in the email or included as an attached file. Any Change in Scope that results in a decrease in Federal and/or Recipient funding must be accompanied by an SF-424A and a budget narrative describing the planned expenditure of the remaining funds. The request for a decrease in funding must be clearly and prominently stated. If a Change in Scope request includes a request for a No Cost Extension, the recipient must also submit a No Cost Extension - Prior Approval Required UARs.

An approved Change in Scope will always result in an amendment to the award. Upon approval by the Grants Officer, the Recipient will be notified of the approved amendment and tasks will be generated for acceptance. To be in effect, the amendment must be accepted by the recipient.

### ***e. Budget Modifications/Revision***

Transfers of funds among direct cost categories for awards in which the Federal share of the project is equal to or less than the simplified acquisition threshold (\$250,000) will not require prior approval from the Grants Office. For awards in which the Federal share of the project exceeds the simplified acquisition threshold, transfers of funds among direct cost categories must be approved in writing by the Grants Officer when the cumulative amount of such direct costs transfers exceeds 10 percent of the total budget as last approved by the Grants Officer. Creating a new budget category within an approved budget requires Grants Officer approval (DOC Standard Terms and Conditions B.04b).

Additionally, in accordance with 2 CFR § 200.308(c)(4) and (c)(8), the recipient must request prior approval for budget revisions where:

- The need arises for additional Federal funds to complete the project. Please be aware that these requests are subject to funding availability and at this time NTIA anticipates it will *not* have funding available for any funding increases in awards; or
- A revision is desired by the recipient that involves specific costs for which prior written approval requirements may be imposed consistent with applicable OMB cost principles listed in 2 CFR Part 200 Subpart E.

The recipient must send the budget revision request to [UGAM@nist.gov](mailto:UGAM@nist.gov) and ensure that all of the following are provided:

- The recipient must verify that the proposed deviations or changes will not increase the approved budget.
- The recipient must provide a narrative with a full explanation of the proposed deviations or changes. The narrative must include information about how the deviations or changes serve CMC Pilot Program's statutory purposes and the purposes of the original award, including the effect on key project metrics such as community anchor institutions (CAIs) connected, miles deployed, workstations deployed, or people trained.
- The recipient must verify that the deviations or changes will not delay the timely completion of the project.
- The recipient must explain the effect of the deviations or changes on the financial feasibility and sustainability of the project.

Requests for prior approval of any budget revisions must be submitted on an SF-424A with a revised budget narrative that clearly justifies the newly proposed costs, as well as documenting what costs are being taken out of the proposed budget to support the new costs.

## 7. What are my Award Compliance Requirements?

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By accepting the CMC Pilot Program award funds, the recipient agrees to fulfill the reporting and other requirements mandated by Federal regulations and SACs referenced in and/or attached to the recipient's grant award. Therefore, the recipient should carefully read and understand the SACs and Federal regulations referenced in and/or attached to the CD-450. Recipients must comply with Federal laws and regulations, DOC policies, Executive Orders, and Office of Management and Budget (OMB) Circulars that are incorporated into the terms and conditions of the award.

Consistent with the statutory purposes of CMC Pilot Program and according to DOC regulations and authorities, NTIA makes specific requirements with which the recipient must comply for any post-award modification.

### a. Allowable vs. Unallowable Costs

Basic financial management cost principles define any charges incurred by the Federal grant as either allowable or unallowable. Allowable costs are charges incurred by a program that can be covered with the CMC Pilot Program grant. Unallowable costs are charges incurred by a program that cannot be covered or reimbursed by the CMC Pilot Program grant.

**Allowable costs** are those costs consistent with the principles set out in 2 CFR Part 200 Subpart E, and those permitted by the grant program authorizing legislation. *The fact that a cost requested in a budget is awarded does not ensure a determination of allowability.* The organization is responsible for consistently presenting costs. To be allowable under Federal awards, costs must be reasonable, allocable, and necessary to the project, and they must also comply with the funding statute and agency requirements (see 2 CFR § 200.403).

Section IV.J.1 of the NOFO outlines the eligible uses of funds for CMC Pilot Program. General categories of eligible uses of funds are: the purchase of broadband internet access service (installation or upgrade of broadband facilities); the purchase or lease of eligible equipment and devices for student or patron use; and to hire and train information technology personnel who are part of the eligible anchor institution, MBE, or Tax-Exempt Organization. This is not an exhaustive list of allowable costs, and it is always advised to consult the FPO and Grants Specialist with any questions about uses of funds.

**Unallowable costs** are those costs that do not meet the criteria of reasonableness, allowability, and allocability. Non-Federal entities must not use Federal awards or match funding for unallowable costs under the award. Per 2 CFR § 200.1 (disallowed costs), *“Disallowed costs means those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.”*



It is important that each CMC Pilot Program recipient applies the allowable cost test when deciding on spending grant funds. Per 2 CFR § 200.410, “Payments made for costs determined to be unallowable by either the Federal awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise.” See also 2 CFR § 200.346, Collection of amounts due.

Section IV.J.2 of the NOFO describes the ineligible uses of CMC Pilot Program funds. Recipients and subrecipients must familiarize themselves with this section of the NOFO to ensure that Federal funds are not inappropriately expended. Examples of ineligible uses include construction activities, covered communications, equipment, or services as defined in Section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1608), profits and fees, and funding infrastructure that was completed prior to the grant award period. This section also outlines key specific prohibitions on broadband service providers as members of the covered partnerships including repayment of loans, use as collateral for new loans, reimbursement of previously incurred costs for equipment or construction, and providing broadband services in locations used to meet the Federal Communications Commission (FCC) Universal Service Fund (USF) deployment obligation.

**Figure 4: Examples of Allowable/Unallowable Costs**

ALLOWABLE	UNALLOWABLE
Personnel Costs - salaries and fringe benefits	Certain telecommunications and video surveillance services or equipment
Hardware, software, and other digital technology	Profit and fees
Equipment and devices (excluding mobile phones) - Wi-Fi hotspot, modem, router, device that combines a modem and router	Prohibited use of equipment-sale or transfer of any portion of grant-funded equipment
Implementation of affordable broadband programs, digital training, education, technology support, outreach and awareness program	Construction activities
Sub-awards and contractual costs	Loan repayment & collateral

\*This is not an exhaustive list of allowable/unallowable costs.

### b. Specific Award Conditions

NIST GMD and NTIA may impose additional SACs on a CMC Pilot Program grant in accordance with 2 CFR § 200.208 or take other appropriate actions when the FPO determines that the specific conditions or actions are necessary to:

- Require a change or action that will remedy current non-compliance or reduce the risk of future non-compliance; and/or

- Help to ensure a CMC Pilot Program recipient's success in implementing its project in accordance with the terms and conditions of a CMC award.

The assigned FPO and Grants Specialist is responsible for ensuring the recipient is meeting the terms and conditions listed in their SAC. Support will be provided to ensure compliance with SACs listed in your CD-450 by the assigned FPO and Grants Specialist.

Once a recipient satisfies a SAC, they submit evidence and justification of SAC completion to their FPO. Instructions for how to fulfill a SAC can be found in the CD-450. It is very important that the recipient adheres to the terms and conditions of their SAC(s).

A recipient's failure to comply with the SACs may cause the NIST GMD and NTIA to take one or more actions depending on the severity and duration of the non-compliance in accordance with applicable statutes, regulations, and policies. Depending on the specific circumstances, NIST GMD and NTIA may allow the recipient to correct the deficiencies prior to acting; however, even if a recipient is taking corrective action, NIST GMD and NTIA may take proactive actions to protect the federal government interest in the award. They may also take actions designed to prevent future non-compliance, such as additional monitoring activities.

### *c. Classification of Costs*

**Direct Costs:** Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Examples of direct costs include salaries and fringe for grant administrative personnel, program coordination and project execution, equipment required to administer the program, office supplies, and postage.

**Indirect Costs:** Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs. Examples of indirect costs include depreciation of facilities, facility occupancy costs, general liability insurance, general legal services, taxes, rent and utilities, indirect salaries, and accounting fees. It is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect (F&A) cost to avoid possible double-charging of Federal awards.

### *d. Records Retention Requirements*

After the award program and performance period have ended, supporting documentation, financial records, and other documents may be subject to future review. CMC Pilot Program recipients must provide NIST GMD, NTIA, and the Office of the Inspectors General (OIG), access to all records that are pertinent to the federal award to make audits, examinations, and transcripts. NIST GMD and NTIA will provide advance notice in a timely and reasonable manner to allow the recipient time to engage in interviews and discussions related to the award documentation (2 CFR § 200.337). CMC records must be retained by the recipient in accordance with the requirements contained in 2 CFR § 200.334.

**Figure 5: Record Retention Documents**

CMC recipients are advised to retain these documents after closeout, to include, but may not be limited to:

- Award package
- Financial records
- Evidence of program accomplishments
- Progress Reports
- Audit follow-up records
- Monitoring records
- Written determinations and preapprovals between NIST GMD and NTIA and CMC recipient
- Records supporting all costs charge to the award
- Procurement records
- Subawards issued by the recipient and all documentation supporting the management and oversight of the subawards
- Final closeout letter
- Record of reconciliation
- Property disposition forms

### e. Single Audit Requirements

A Single Audit is when a qualified auditor reviews a recipient's financial management processes, including its financial management system and compliance with all of its Federal grant requirements. A Single Audit combines one audit covering all Federal grants of a recipient. The purpose is to ensure that recipients receiving Federal grant funds use the funds in compliance with the government's requirements. It was created to promote sound financial management, uniform guidelines for audits, and efficiently deploy audit resources. This cost-effective option replaces the need for the Federal government to audit the same recipient multiple times for different Federal awards.

The audit requirements for CMC awards are contained in Section D. of the Department of Commerce Financial Assistance Standard Terms and Conditions (12 November 2020), which are incorporated by reference into every CMC grant award. Specifically, recipients that are subject to the provisions of Subpart F of 2 CFR Part 200 and that expend \$750,000 or more in a year in Federal awards during their fiscal year must have an audit conducted for that year in accordance with the requirements contained in Subpart F of 2 CFR Part 200. Within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a different period is specified in a program specific audit guide, a copy of the audit must be submitted electronically to the Federal Audit Clearinghouse (FAC) through the FAC's Internet Data Entry System (IDES) (<https://harvester.census.gov/facides/>). In accordance with 2 C.F.R. § 200.425 (Audit services), the recipient may include a line item in the budget for the allowable costs associated with the audit, which is subject to the approval of the Grants Officer.

Unless otherwise specified in the terms and conditions of the award, entities that are not subject to Subpart F of 2 C.F.R. Part 200 (e.g., for-profit entities, foreign public entities and foreign organizations) and that expend \$750,000 or more in DOC funds during their fiscal year (including both as a recipient and a subrecipient) must submit to the Grants Officer either: (i) a

financial related audit of each DOC award or subaward in accordance with Generally Accepted Government Auditing Standards (GAGAS); or (ii) a project specific audit for each award or subaward in accordance with the requirements contained in 2 C.F.R. § 200.507. Within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a different period is specified in a program-specific audit guide, a copy of the audit must be submitted to the Grants Officer. In accordance with 2 C.F.R. § 200.425, the recipient may include a line item in the budget for the allowable costs associated with the audit, which is subject to the approval of the Grants Officer. Entities that are not subject to Subpart F of 2 C.F.R. Part 200 and that expend less than \$750,000 in DOC funds in a given fiscal year are not required to submit an audit(s) for that year, but must make their award-related records available to DOC or other designated officials for review and audit.

Generally, the objectives of a Single Audit are to determine if the recipient receiving Federal funds has engaged in the following activities:

- Established an accounting system with adequate internal controls that provide full accountability for revenues, expenditures, assets, and liabilities.
- Prepared financial statements which are presented fairly and in accordance with generally accepted accounting principles (GAAP).
- Submitted financial reports (including Federal Finance Reports), cash reports, and claims for advances and reimbursements contain accurate and reliable financial data and are presented according to the terms of applicable agreements.
- Expended Federal funds in accordance with the terms of award agreements and those provisions of Federal law or regulations that could have a material effect on the financial statements or the awards tested.

When a recipient has an audit finding, it must develop a Corrective Action Plan to respond to each finding. The Corrective Action Plan must provide the name(s) of the contact person(s) responsible for the plan, the actions taken, and the anticipated completion date. If the recipient disagrees with the findings, the recipient provides an explanation and specific reasons for disagreement in its Corrective Action Plan.

## f. Internal Controls

Internal controls are the processes and systems through which recipients ensure that they operate effectively, accurately handle their finances and accounting, report reliable data, and comply with their policies and procedures and applicable laws and regulations. Internal controls detect fraud, waste, abuse, and mismanagement of Federal funds. Grant recipients must establish and maintain effective internal controls over the Federal award, thereby providing reasonable assurance that its awards are managed in compliance with Federal statutes and the terms and conditions of the award (see 2 CFR Part 200.303(a)).

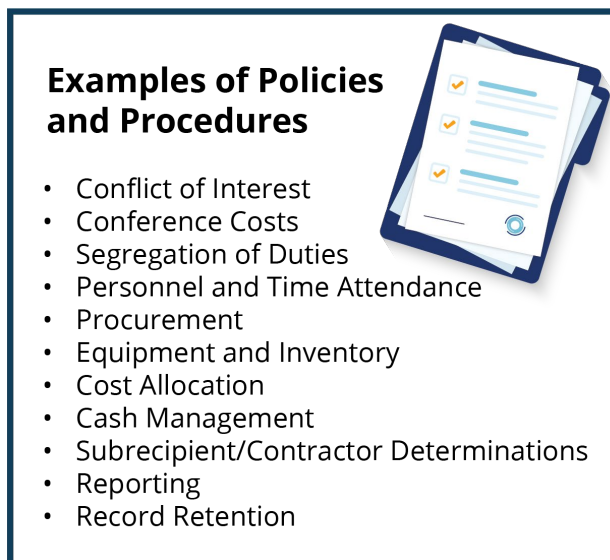
A system of internal control includes written policies and procedures designating specific roles for various individuals. For example, when possible, someone other than the person posting transactions should reconcile bank accounts. Someone who does not reconcile should always review the reports. Another critical element of an effective internal control system is the separation of duties. To ensure effective internal controls, no individual should perform two consecutive tasks in an accounting procedure, for example. Recipients can plan for a separation of duties by developing a chart with each step of the accounting procedure for a specific area, such as cash receipts or payroll. Each accounting procedure should be developed to ensure that no individual is assigned two consecutive tasks.

Recipients' internal controls plans should consist of five key elements: **control environment, risk assessment, control activities, information and communication, and monitoring activities**. To ensure effective internal controls are in place, recipients should develop policies and procedures.

## g. Program Income

Program income means “gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance.” To ensure allowability, a CMC Pilot Program recipient must track and spend program income in an allowable manner. Generally, non-Federal entities are encouraged to earn income to defray program costs where appropriate (2 CFR § 200.307). Program income includes but is not limited to income from fees for services performed; the use or rental of real or personal property acquired under Federal awards; the sale of commodities or items fabricated under a Federal award, license fees, and royalties on patents and copyrights; and principal interest on loans made with Federal award funds.

Figure 6: Examples of Policies and Procedures





Program income does not include rebates, credits, discounts, and interest earned on them. Nor does it include interest earned on advances of Federal funds or the sale of real property, equipment, or supplies. Program income must be treated the same as Federal funds and spent on project-related activities approved in the Federal grant award. Program income cannot be used to purchase anything considered unallowable. For example, if food is an unallowable expense, program income cannot be used to purchase food.

Unless otherwise provided by the SACs of a CMC award, if the project generates program income during the period of performance, the recipient is required to use the deductive method to any program income generated. This means that program income must be deducted from the total allowable costs to determine the net allowable costs.

All program income generated by an award must be reported in the quarterly financial status reporting and demonstrate that it has been accounted for using this method.

Alternatively, a recipient may also request, via an UGA, prior approval to use one of the alternative methods for the use of program income under the award.

### *h. Procurement*

Procurement is the process of obtaining goods and services for a CMC Pilot Program recipient's organization. As part of procurement, recipients select vendors and establish the payment terms. When used correctly, procuring goods or services can help the organization implement a successful project or program.

General procurement requirements for recipients and subrecipients are located in 2 CFR § 200.317- 200.327. The regulations require that procurement activities be performed in an equitable and competitive manner to promote equal treatment, efficiency, and economy in Federal grant activities. To ensure objective contractor performance and eliminate an unfair competitive advantage, contractors should be excluded from competing for such procurements if they develop or draft grant applications or contract specifications, requirements, statements of work, invitations for bids, and/or requests for proposals. In addition, recipients should have an internal control or documented process to check for organizational conflict of interest with potential contractors. The Uniform Guidance sets strict requirements around procurement and guarding against conflicts of interest that can occur when purchasing goods and services under Federally funded grants and contracts.

#### **Figure 7: Procurement Tips**

##### Tips for Successful Procurement

- Make reasonable requirements for your competitive purchases. For example, do not require excessive experience or bonding.
- Pay attention to and avoid possible entity conflicts of interest, such as buying goods from a family member. Compare price, quality, and/or performance of "brand" name items with equivalent items.
- Learn about (and practice) checking the debarment list.
- Compare lease to purchase costs for equipment; sometimes leasing is more economical.

## i. Property and Equipment

Tangible personal property means property of any kind that has physical existence and includes equipment and supplies. It does not include copyrights, patents, or securities. Property may be provided by NTIA or acquired by the recipient with award funds. Federally-owned property consists of items that were furnished by the Federal government.

Equipment includes tangible personal property (including information technology systems) having a useful life of more than one year and per-unit acquisition costs that equal to or exceed \$5,000. A computing device is a supply if the acquisition cost is less than \$5,000, regardless of the length of its useful life.

Equipment must be used for the authorized purposes of the project during the period of performance or until the property is no longer needed for the purposes of the project. Recipients may use the equipment for the project or program for as long as needed, whether the project or program continues to be supported by the Federal award.

The Grants Officer may require a non-Federal entity (*i.e.*, a Recipient or Subrecipient) to execute and to record (as applicable) a statement of interest, financing statement (Form UCC-1), lien, mortgage or other public notice of record to indicate that real or personal property acquired or improved in whole or in part pursuant to a CMC award is subject to the Federal Interest, and that certain use and disposition requirements apply to the property. The statement of interest, financing statement (Form UCC 1), lien, mortgage or other public notice must be acceptable in form and substance to NTIA and to NIST GMD and must be placed on record in accordance with applicable State and local law, with continuances re-filed as appropriate. In such cases, the Grants Officer may further require the non-Federal entity to provide NTIA and NIST GMD with a written statement from a licensed attorney in the jurisdiction where the property is located, certifying that the Federal Interest has been protected, as required under the award and in accordance with applicable State and local law. The attorney's statement, along with a copy of the instrument reflecting the recordation of the Federal Interest, must be promptly returned to the Grants Officer. The non-Federal entity may use model documentation made available by NTIA.

The Uniform Guidance establishes specific rules for disposing of equipment, depending on what the equipment will be used for and its value (*see* 2 CFR § 200.313(e)). The recipient must request disposition instructions from the Federal awarding agency. If the equipment has a current per-unit fair market value of \$5,000 or less, the recipient may keep the equipment, sell it, or otherwise dispose of it with no further responsibility to the Federal government (*see* 2 CFR § 200.313(e)(1)). However, if the equipment has a current, per-unit fair market value in excess of \$5,000 and NIST GMD, in coordination with NTIA, fails to provide disposition instructions within 120 days after receiving a disposition request from a recipient, the recipient may keep or sell the equipment but must pay the Federal Government its Federal share based on a percentage of Federal participation in the initial acquisition (2 CFR § 200.313(e)(2)).

**Figure 8: Data Elements**

Equipment Data Elements
<ul style="list-style-type: none"> <li>• Description of equipment</li> <li>• Manufacturer's serial number, model number, or other identification number</li> <li>• Source of equipment, including grant/award number</li> <li>• Acquisition date (or date received) and cost</li> <li>• Information noting the equipment was acquired using Federal funding</li> </ul>

In addition, recipients must capture the acquisition costs of equipment in their accounting system and report it in their financial statements and financial report to NTIA. The SF-428 form is a standard form to collect information related to tangible personal property.

Recipients of Federal assistance awards may be required to provide Federal awarding agencies with information concerning property in their custody annually, at award closeout, or when the property is no longer needed. Specific requirements will vary based on award provisions, the type of property (equipment or supplies), and whether the property is Federally owned.

### j. Protection of Human Subjects

Recipients of the CMC Pilot Program grants must comply with the DOC regulations and award SACs relating to protection of human subjects for any research conducted or supported with grant funds. CMC Pilot Program projects may use grant funds to gather data and evaluate Internet speeds for purposes of assessing digital inclusion and broadband adoption. Guidelines for protecting the information of human subjects, which may be collected as a result of project implementation, can be found in [15 CFR Part 27: Protection of Human Subjects](#). In addition, NTIA has provided detailed compliance guidance for recipients in Appendix F of this handbook.

## 8. What are the Requirements if I have Subrecipients?

A subrecipient is a “non-Federal” entity such as a nonprofit organization, government agency or group that receives a subaward from a recipient to carry out part of a Federal program. Recipients are required to have policies and procedures for monitoring all subrecipients (2 CFR § 200.332). Subrecipient performance is measured against the objectives of the program, responsibility for programmatic decision making, adherence to applicable program compliance requirements, and uses of Federal funds to carry out their portion of the programmatic effort of the project.

Including a subrecipient monitoring policy as part of a recipient’s financial management policies and procedures is necessary to ensure all Federal dollars are utilized for authorized purposes in compliance with applicable laws, regulations, and provisions to complete the objectives of the funded project. The procedures to implement the policy include making legal agreements with subrecipients and using a formal subrecipient monitoring plan.

To ensure that there is compliance between the pass-through entity and subrecipient, an agreement must be in place. It is important that each party signs the agreement. An effective subrecipient agreement is required to include all elements identified in accordance with 2 CFR § 200.332, some of which are included in the checklist below.

**Table 8: Subrecipient Agreement Checklist**

<input type="checkbox"/>	Subrecipient name (which must match the name associated with its unique entity identifier); Subrecipient's unique entity identifier;
<input type="checkbox"/>	Federal Award Identification Number (FAIN);
<input type="checkbox"/>	Federal Award Date (see the definition of <i>Federal award date</i> in 2 CFR Part 200.1 of this part) of award to the recipient by the Federal agency;



<input type="checkbox"/>	Subaward Period of Performance Start and End Date;
<input type="checkbox"/>	Subaward Budget Period Start and End Date;
<input type="checkbox"/>	Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
<input type="checkbox"/>	Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
<input type="checkbox"/>	Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
<input type="checkbox"/>	Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
<input type="checkbox"/>	Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
<input type="checkbox"/>	Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
<input type="checkbox"/>	Identification of whether the award is R&D;
<input type="checkbox"/>	Indirect cost rate for the Federal award (including if the de minimis rate is charged) per 2 CFR § 200.414;
<input type="checkbox"/>	All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulation, and the terms and conditions of the Federal award; and
<input type="checkbox"/>	Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports.

As a best practice, monitoring plans include a tool for assessing the risk of the subrecipient's compliance with the agreement and a detailed list of monitoring activities. Risk assessment begins with determining the subrecipient's risk of not meeting the grant award terms and conditions, including all Federal rules and regulations associated with grant management. The table below is an example of a risk assessment.

**Table 9: Subrecipient Risk Assessment Table**

	Low Risk	Medium Risk	High Risk
Recommended Assessment of Risk Levels	<ul style="list-style-type: none"> <li>Less than \$100,000 in pass-through dollars</li> <li>Experienced subrecipient with no prior performance issues</li> </ul>	<ul style="list-style-type: none"> <li>New to Federal grant programs</li> <li>Turnover in key staff positions</li> <li>Previous compliance or performance issues</li> <li>More than \$100,000, but less than \$749,999 in pass-through dollars</li> </ul>	<ul style="list-style-type: none"> <li>\$750,000 or more in pass-through dollars requires a review of the subrecipient's single audit</li> </ul>
Minimum Recommended Monitoring Schedule	Two times/year	Quarterly	Monthly

## 9. How will NTIA Monitor Grants and Provide Technical Assistance?

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### *a. What are my Performance (Technical) and Financial Reporting Requirements?*

Under 2 CFR § 200.329(a), the grant recipient is responsible for oversight of the operations of the Federal award-supported activities. As a recipient receiving Federal funds, it is the recipient's responsibility to ensure that all reports are submitted timely, documents are maintained properly, and if questions arise pertaining to the grant, FPOs are immediately contacted for further guidance. 2 CFR § 200.329(a) states: *"The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function, or activity."*

CMC Pilot Program recipients are required to follow the reporting guidelines as identified in the SACs associated with the award. CMC recipients will submit a Baseline Report, Performance (Technical) Reports, Quarterly Financial Reports, Annual Report(s), and Final Reports (Performance [Technical] and Financial).

NTIA is required to review the submission of performance (technical) and financial reports. NTIA ensures that the reports are submitted on time and demonstrate how the recipient has carried out the grant. The performance (technical) reports should document that recipients fulfill all program requirements. NTIA compares the performance (technical) report to the financial report to assess whether reported spending areas align with the activities performed. NTIA will review costs incurred with drawdowns to ensure both sets of documentation match. In addition, the financial reports are reviewed for alignment with the proposed budget and, to the extent possible, for compliance with Federal cost principles.

### *b. Desk Reviews (virtual) and Site Visits (in-person)*

Two of the most common programmatic and financial monitoring engagement activities are desk reviews and site visits.

Desk reviews focus on the relevant documentation and financial systems surrounding a grant program. Typically conducted virtually, desk reviews facilitate and produce an evaluation of the recipient's capacity to manage their award and may serve as a preliminary step prior to a site visit.

Site visits typically occur at the recipient's office or program location and provide an opportunity for the Federal award agency to meet with key personnel, program partners and review the capacity, performance, and compliance of the recipient. Site visits allow NTIA access to the offices and facilities, documentation, financial records, physical assets, written policies and procedures, audit compliance records, and internal controls. All recipients are eligible to participate in a site visit.

For desk reviews and site visits, all staff who work on the grant must be available for the entrance and exit conferences or interviews, as NTIA may have specific questions for the subject matter experts pertaining to the grant. For example, NTIA may have a specific question regarding the budget or expenditures. The grant program's financial manager will need to be present to answer those questions.

During desk reviews and site visits, NTIA examines the recipient's compliance with all aspects of the Uniform Guidance, program guidelines, and any additional administrative requirements placed on the award. NTIA will review the recipient's administrative policies and procedures, including:

- **Internal controls:** Key controls, documented business processes, and policies and procedures governing business cycles involved in award execution.
- **Accounting systems:** Sampling may be conducted, which would involve sampling transactions included in the financial reports. NTIA may request expenditure source documentation such as canceled checks, paid bills, and payroll.
- **Allowability:** Written procedures for determining the allowability of costs will be examined. In addition, sample transactions in recent financial reports to look for documentation supporting each transaction's compliance with internal policies and procedures and the requirements at 2 CFR § 200.403 that costs are necessary, reasonable, and allocable to Federal awards.
- **Procurement system:** NTIA will most likely review a sample of procurements to ensure that the procurement requirements of 2 CFR § 200.317–200.327 have been met.
- **Inventory process:** NTIA may review the recipient's property management and inventory controls.
- **Audit resolution process:** NTIA will confirm and review any required audits and review a copy of the most recent audit report. If there are audit findings, NTIA may request a copy of any corrective action plans submitted, any records detailing the implementation of the corrective action plan, and any records demonstrating resolution of the underlying concern.
- **Records retention:** NTIA will confirm if the recipient has or follows any policies and procedures governing the retention of records and that those policies and procedures meet the minimum Federal requirements (2 CFR § 200.334).

If an organization is selected for a desk review or site visit, it is critical to have the necessary documentation organized and readily available, as NTIA may request it for review. The following table includes a checklist of documentation that may be requested.

**Table 10: Monitoring Checklist**

Documentation	Yes	No	Partial	Comments
Organizational Charts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Description of accounting system and chart of accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Documentation	Yes	No	Partial	Comments
Copies of written policies and procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial reports from the recipient's accounting system and supporting payment requests, and reported expenditures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Employee handbook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Current negotiated indirect cost rate agreement (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Most recent single audit report (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Award and Specific Conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Records of payments and reported expenditures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Evidence of budget or scope changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Records supporting actions required in specific conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Records of necessary prior approvals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Results and status of audits or monitoring reviews that have been conducted on the recipient's award	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

At the conclusion of a monitoring engagement, the recipient and NTIA will review any findings or compliance issues and confirm recommended corrective actions.

### c. Additional Technical Assistance

NTIA intends to offer technical assistance on a broad set of topics, including grants and financial management, governance and policy. This support includes but is not limited to the following: technical assistance on broadband topics, regulatory compliance requirements related to financial reporting, and digital literacy and inclusion activities. Technical Assistance will be delivered through various methods (Tiers 1-3) including workshops and webinars, self-service

materials such as templates and FAQs, as well as one-one-one assistance tailored to specific situations.

#### *d. Fraud, Waste, Abuse, Mismanagement, and Whistleblower Protections*

As a recipient of Federal funds, CMC Pilot Program recipients are required to use the funds only for the intended purpose and within the established guidelines. Recipients are responsible for providing adequate safeguards to prevent fraud, waste, abuse, and mismanagement of Federal funds. Proper management of award funds prevents misuse of funds.

According to the U.S. Government Accountability Office (GAO), the definitions of fraud, waste, abuse, and mismanagement are as follows:

- **Fraud** is an attempt to obtain something of value through willful misrepresentation. An example of fraud would be an individual stealing money by directing contracts to bogus companies.
- **Waste** is squandering money or resources, even if not explicitly illegal. An example of waste is a program manager purchasing overpriced equipment that could have been purchased for a lesser price at a different company.
- **Abuse** is behaving improperly or unreasonably or misusing one's position or authority. An example of abuse would be writing technical specifications or contract terms to favor a specific contractor.
- **Mismanagement** is creating a substantial risk to an agency or organization's ability to accomplish its mission. An example of mismanagement would be stockpiling equipment beyond its shelf-life.

Misuse of grant funds can occur in many different ways. However, the common types of misuse of grant funds are:

- **Conflict of interest:** When an individual has a personal or business interest that conflicts with their professional obligations or responsibilities to the organization.
- **Failure to properly support the use of award funds:** When an individual deliberately re-budgets funds in a manner different from the purpose outlined in the award agreement.
- **Theft:** The embezzlement of the funds that are awarded to the organization.

Committing fraud can have drastic consequences. If a grant recipient or subrecipient is found guilty of grant fraud, waste, abuse, and mismanagement, the consequences could be any or all of the following:

- The recipient or subrecipient is banned from receiving future Federal funding.
- The recipient or subrecipient is responsible for the administrative recoveries of the funds.
- The recipient or subrecipient has a civil lawsuit or criminal prosecution brought against them.

Recipients or subrecipients of award funds should develop and implement preventative measures and processes to decrease the risk of fraud, waste, abuse, and mismanagement. The following examples show ways to reduce fraud, waste, abuse, and mismanagement.

- Examine existing operations and internal controls to identify if they are vulnerable to fraud. Examples of vulnerabilities include:
  - Lack of separation of duties.
  - Unclear authorization for transactions.
  - Outdated or ineffective accounting systems.
  - Improperly collected and stored documentation.
  - Incomplete, unclear, or not implemented conflict of interest policies.
- Implement fraud prevention measures and have regular trainings to educate staff and volunteers on risks.
- Review and test internal control systems regularly for vulnerabilities and areas of improvement.
- Verify that all financial and progress reports are sufficiently supported with the required documentation.
- Develop and implement procurement processes that are reasonable, fair, and transparent.
- Conduct monthly bank reconciliations to identify errors or irregularities in bank statements and detect fraud.

Whistleblower Protections: All CMC awards are subject to the whistleblower protections afforded by 41 U.S.C. § 4712 (Enhancement of contractor protection from reprisal for disclosure of certain information), which generally provide that an employee or contractor (including subcontractors and personal services contractors) of a non-Federal entity may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body information that the employee reasonably believes is evidence of gross mismanagement of a Federal award, subaward, or a contract under a Federal award or subaward, a gross waste of Federal funds, an abuse of authority relating to a Federal award or subaward or contract under a Federal award or subaward, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal award, subaward, or contract under a Federal award or subaward. These persons or bodies include: a. A Member of Congress or a representative of a committee of Congress. b. An Inspector General. c. The Government Accountability Office. d. A Federal employee responsible for contract or grant oversight or management at the relevant agency. e. An authorized official of the Department of Justice or other law enforcement agency. f. A court or grand jury. g. A management official or other employee of the contractor, subcontractor, or grantee who has the responsibility to investigate, discover, or address misconduct. Non-Federal entities and contractors under Federal awards and subawards must inform their employees in writing of the rights and remedies provided under 41 U.S.C. § 4712, in the predominant native language of the workforce. See Section F.05 of the Department of Commerce Financial Assistance Standard Terms and Conditions (12 November 2020).

## 10. How Do I Close Out My Grant?

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See 2 CFR § 200.344 for the list of requirements that CMC Pilot Program recipients must follow to ensure a proper closeout. These requirements include:

- Submitting financial and performance reports;
- Liquidating all financial obligations;



- Refunding any unobligated cash balances; and
- Accounting for real and personal property.

As the period of performance is completed, CMC Pilot Program recipients should assess their outstanding financial and programmatic responsibilities. During the month preceding the end-date of your period of performance, NIST will send a letter outlining the specific documents required for the closeout process and any associated deadlines and submission instructions. As directed in 2 CFR §t 200.344, CMC Pilot Program recipients must submit all financial, performance, and other reports as required by the terms and conditions of the award no later than 120 calendar days after the end date of the period of performance. Subrecipients must submit these reports to the pass-through entity no later than 90 calendar days after the end date of the period of performance. NIST/NTIA may approve extension requests (See Table 7), when requested and justified. However, preparations should begin to ensure all financial and administrative questions will be resolved before the deadline.

- Required Documents for Final Reports Submission:
  - Final SF-425
  - Final Programmatic (Technical) Closeout Report
  - Other Required Closeout Documentation

## APPENDICES

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Appendix A Helpful Resources

Appendix B Glossary of Acronyms and Key Terms

Appendix C Agency Contact List

Appendix D Infographics

D.1. Infographic: Top 10 Monitoring Findings

D.2. Infographic: Preventing Waste, Fraud, Abuse, and Mismanagement

D.3. Infographic: Allowable/Unallowable Costs Do's and Don'ts

D.4. Infographic: Procurement

Appendix E Checklists

E.1. Checklists: Allowable Costs

E.2. Checklists: Preparing for Site Visit/Desk

E.3. Checklists: Internal Controls

E.4. Checklists: Budget Revision

Appendix F Fact Sheets

F.1. Fact Sheet: CMC Award

F.2. Fact Sheet: Subrecipients

F.3. Fact Sheet: Specific Award Conditions

F.4. Fact Sheet: Human Subjects Research Protection Guidance



## Appendix A: Helpful Resources

Resource	Website Location	Description
ASAP Website	<a href="http://www.asap.gov">http://www.asap.gov</a>	<ul style="list-style-type: none"> <li>This website is maintained by the U.S. Department of Treasury and is used by the recipient to drawdown award funds.</li> </ul>
CMC Website	<a href="https://broadbandusa.ntia.doc.gov/resources/grant-programs/connecting-minority-communities-pilot-program">https://broadbandusa.ntia.doc.gov/resources/grant-programs/connecting-minority-communities-pilot-program</a>	<ul style="list-style-type: none"> <li>This website is the homepage of CMC and contains all publicly available guidance on compliance and program requirements, as well as descriptions of each award, including quarterly and annual performance reports.</li> </ul>
Department of Commerce Grants and Cooperative Agreements Manual (dated 04/20/21)	<a href="https://www.commerce.gov/sites/default/files/2021-04/Department%20of%20Commerce%20Grants%20%20Cooperative%20Agreements%20Manual%20%2820%20April%202021%29.pdf">https://www.commerce.gov/sites/default/files/2021-04/Department%20of%20Commerce%20Grants%20%20Cooperative%20Agreements%20Manual%20%2820%20April%202021%29.pdf</a>	<ul style="list-style-type: none"> <li>Overview of the DOC grants process. Includes standard DOC policies, procedures, and requirements.</li> </ul>
Department of Commerce Financial Assistance Standard Terms and Conditions (dated 11/12/20)	<a href="https://www.commerce.gov/sites/default/files/2020-11/DOC%20Standard%20Terms%20and%20Conditions%20-%2012%20November%202020%20PDF_0.pdf">https://www.commerce.gov/sites/default/files/2020-11/DOC%20Standard%20Terms%20and%20Conditions%20-%2012%20November%202020%20PDF_0.pdf</a>	<ul style="list-style-type: none"> <li>Sets out the standard terms and conditions applicable to U.S. Department of Commerce financial assistance awards.</li> </ul>
2 CFR Part 200	<a href="https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1">https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1</a>	<ul style="list-style-type: none"> <li>Establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities.</li> </ul>
CMC Notice of Funding Opportunity (NOFO), as amended.	<a href="https://broadbandusa.ntia.doc.gov/sites/default/files/2021-11/CMC%20Pilot%20Program%20NOFO%20Amendment%20%2811-9-2021%29.pdf">https://broadbandusa.ntia.doc.gov/sites/default/files/2021-11/CMC%20Pilot%20Program%20NOFO%20Amendment%20%2811-9-2021%29.pdf</a>	<ul style="list-style-type: none"> <li>Outlines the requirements that CMC recipients must abide by.</li> </ul>
47 CFR Part 302	<a href="https://www.ecfr.gov/current/title-47/chapter-III/part-302">https://www.ecfr.gov/current/title-47/chapter-III/part-302</a>	<ul style="list-style-type: none"> <li>Establishes uniform application, approval, award, financial and administrative requirements for the CMC Pilot Program authorized under</li> </ul>



Resource	Website Location	Description
		Division N, Title IX, section 902 of the Consolidated Appropriations Act, 2021.

## Appendix B: Glossary

Letter	Glossary Terms
A	<ul style="list-style-type: none"> <li>● <b>Abuse of federal funds:</b> The intentional and unacceptable use of grant funds or misuse of one’s position.</li> <li>● <b>Advance Payment:</b> Advance on grant funds limited to the minimum amount necessary to meet immediate monetary needs (limited to a 30-day period).</li> <li>● <b>Advisory Council on Historic Preservation (ACHP):</b> Independent agency of the U.S. government that promotes the preservation, enhancement, and productive use of the nation’s historic resources.</li> <li>● <b>Allocable Cost:</b> Cost chargeable to the award in accordance with benefits received by the project.</li> <li>● <b>Allowable Cost:</b> Cost that may legitimately be charged to an award, per the terms of the award, applicable laws, and applicable regulations.</li> <li>● <b>Anchor Community:</b> Means any area that is not more than 15 miles from a historically Black college or university, a Tribal College or University, or a Minority-serving institution; and has an estimated median annual household income of not more than 250 percent of the poverty line.</li> <li>● <b>Audit:</b> Evaluation of an organization’s compliance, internal controls, and financial management. Audits are a tool to demonstrate effective stewardship of Federal funds and to prevent waste, fraud, and abuse. See Section 7.f. of this handbook for further information.</li> <li>● <b>Authorized Organization Representative (AOR):</b> Individual authorized by an award recipient to act for the recipient organization and to assume the obligations imposed by the Federal laws, regulations, requirements, and conditions that apply to a grant application or grant award. An AOR submits a grant on behalf of a company, organization, institution, or government. Only an AOR has the authority to sign and submit grant applications.</li> </ul>
B	<ul style="list-style-type: none"> <li>● <b>Build America, Buy America (BABA):</b> BABA is a public law (effective May 14, 2022) governing domestic preferences for iron and steel, manufactured products and construction materials. This new law governs domestic preferences for iron and steel, manufactured products and construction materials for infrastructure projects that use federal dollars for funding. Unless otherwise notified, CMC grantees are exempt from BABA requirements either because BABA does not apply given the nature of the project or because they received a waiver.</li> </ul>
C	<ul style="list-style-type: none"> <li>● <b>CD-450 Form:</b> Document the Grants Officer uses to authorize and issue the CMC award.</li> <li>● <b>Community Anchor Institution (CAI):</b> Schools, libraries, medical and healthcare providers, public safety entities, public housing authorities, institutes of higher education and other community support organizations that provide outreach, access, equipment and support services to facilitate greater use of broadband service by the entire population and local governments.</li> <li>● <b>Consortium:</b> Led by an HBCU, a TCU, or an MSI and includes an MBE or a tax-exempt 501(c)(3) organization. It may contain multiple HBCU, TCUs, and/or MSIs.</li> <li>● <b>Cost Sharing:</b> Costs that a recipient organization contributes to a proposed project. An organization’s share could be in the form of cash or supplies, or it might be valuable in-kind services, such as volunteer services. Cost sharing is also known as matching.</li> </ul>

Letter	Glossary Terms
D	<ul style="list-style-type: none"> <li>• <b>Direct Costs:</b> Costs identified specifically with a particular project or activity, or that can be directly assigned to such projects or activities relatively easily with a high degree of accuracy. For budget purposes, line items listed as specific project expenses are direct costs. Direct costs of a project may be charged to the award if they are allowable costs and are included within approved budget categories.</li> <li>• <b>Director of Compliance:</b> Department of Commerce staff person who oversees compliance activities from a portfolio perspective. He/she is responsible for developing the compliance framework and evaluation criteria, and overseeing the process for preventing, identifying, and correcting/curtailing instances of waste, fraud or abuse of award funds.</li> <li>• <b>Dun and Bradstreet (D&amp;B) Data Universal Numbering System (DUNS) Number:</b> A unique nine-digit identifier for businesses, previously required in SAM.gov to do business with the federal government. On April 4, 2022, the Unique Entity Identifier (UEI), generated by SAM.gov, replaced the DUNS number.</li> </ul>
E	<ul style="list-style-type: none"> <li>• <b>Eligible Costs:</b> Project costs that may be paid for using NTIA grant funds consistent with the cost principles identified in the applicable OMB circulars, grant program’s authorizing legislation, and approved budget.</li> </ul>
F	<ul style="list-style-type: none"> <li>• <b>Federal Program Officer (FPO):</b> Department of Commerce official responsible for the technical, scientific, or other programmatic aspects of an award/program. He/she oversees a specified subset of grant awards within each CMC project area and serves as the primary NTIA point-of-contact for a subset of CMC recipients. The FPOs are responsible for the administration, performance, and compliance monitoring of the work conducted under their respective projects, including evaluation of financial and progress reports, and identification of recipient needs and provision of technical assistance.</li> <li>• <b>Federal Financial Report (FFR):</b> Report that must be submitted on a quarterly basis using the OMB FFR Standard Form-425 for the periods ending March 31, June 30, September 30, and December 30. Reports must be submitted to Grants Offices no later than 30 days following the end of each reporting period. A final Federal financial report must be submitted after the expiration date of the award.</li> <li>• <b>Financial Accounting Standards:</b> Statements of financial accounting standards, which are set by the Financial Accounting Standards Board (FASB) and are part of Generally Accepted Accounting Principles (GAAP).</li> <li>• <b>Fiscal Year:</b> Twelve-month period for which financial results are prepared and reported. It may be identical to or different from the calendar year. The Federal government’s fiscal year is from October 1 to September 30 of the next calendar year. The recipient’s fiscal year may not correspond to the Federal government’s fiscal year.</li> <li>• <b>For-Profit:</b> Commercial organization whose primary function is to generate profit. As described at 2 CFR 230.20(c), some large non-profits are treated as profit makers for Federal grant purposes and are required to follow the cost principles in 2 CFR 200.401(c).</li> <li>• <b>Fraud:</b> An attempt to obtain something valuable through intentional misrepresentation. An example of fraud would be an individual stealing money by directing contracts to bogus companies.</li> <li>• <b>Fringe Benefits:</b> Personnel-related costs such as medical and life insurance, pension contributions, and vacation leave. These costs typically are reflected in the budget as a percentage of salary or wage costs.</li> </ul>
G	<ul style="list-style-type: none"> <li>• <b>Generally Accepted Accounting Principles (GAAP):</b> Uniform minimum standards of, and guidelines for, financial accounting and reporting.</li> </ul>

Letter	Glossary Terms
	<ul style="list-style-type: none"> <li>● <b>Generally Accepted Auditing Standards (GAAS):</b> Standards for auditors' professional qualities and judgment in the performance of audit work.</li> <li>● <b>Governmental Accounting Standards (GAS):</b> Standards of financial reporting for all units of state and local government often referred to as the Yellow Book.</li> <li>● <b>Grants Coordinator:</b> Contract staff that partner and work closely with Federal Program Officers to manage grant portfolios and ensure that all required information is available and various program reviews are completed.</li> <li>● <b>Grants Office:</b> Department of Commerce staff responsible for awarding, administering, and closing out all OICG grants. In this case, the Grants Office is at the National Institute of Standards and Technology (NIST).</li> <li>● <b>Grants Officer:</b> Department of Commerce official with delegated authority to award, amend, administer, closeout, suspend, and/or terminate grants and cooperative agreements, and make related decisions and findings.</li> <li>● <b>Grants Specialist:</b> Department of Commerce staff who reports to the Grants Officer and who handles the administration of recipients on a daily basis.</li> </ul>
<p><b>H</b></p>	<ul style="list-style-type: none"> <li>● <b>Historically Black College or University:</b> Has the meaning given the term “part B institution” in section 322 of the Higher Education Act of 1965 (20 U.S.C. 1061).</li> </ul>
<p><b>I</b></p>	<ul style="list-style-type: none"> <li>● <b>Indirect Cost Rate:</b> Percentage of grant funds that can be used for indirect costs. The process used for establishing an indirect cost rate must follow the Department of Commerce’s “Financial Assistance Standard Terms and Conditions Section B.06 Indirect or Facilities and Administrative Costs.”</li> <li>● <b>Indirect Costs:</b> Costs incurred for common or joint objectives and cannot be identified readily and specifically with a particular project or activity. See Section 7.d. of this handbook and the CMC Indirect Cost Rates Fact Sheet.</li> <li>● <b>Ineligible Costs:</b> Project costs that may not be paid using NTIA grant funds. If a recipient’s budget proposes to use any portion of the grant funds for any ineligible cost, the recipient must revise its budget to remove such costs.</li> <li>● <b>In-Kind Contribution:</b> Non-cash donations to a project that may count toward satisfying the non-Federal matching requirement of a project’s total budgeted costs. In-kind contributions, including third party in-kind contributions, must be allowable project expenses.</li> </ul>
<p><b>M</b></p>	<ul style="list-style-type: none"> <li>● <b>Minority-serving institution:</b> Means any of the following: an Alaska Native-serving institution, a Native Hawaiian-serving institution, a Hispanic-serving institution, a Predominantly Black institution, an Asian American and Native American Pacific Islander-serving institution and a Native American-serving, nontribal institution.</li> <li>● <b>Minority Business Enterprise:</b> A business which is owned or controlled by one or more socially or economically disadvantaged persons (as defined in 14 C.F.R. § 1400.2, or any successor regulation).</li> </ul>
<p><b>N</b></p>	<ul style="list-style-type: none"> <li>● <b>National Environmental Policy Act (NEPA):</b> Act requiring Federal agencies to consider the environmental impacts of their proposed actions and reasonable alternatives to those actions (42 U.S.C. 4321 et seq.).</li> </ul>
<p><b>O</b></p>	<ul style="list-style-type: none"> <li>● <b>Office of Minority Broadband Initiatives (OMBI):</b> NTIA launched the Minority Broadband Initiatives (MBI) in 2018 with HBCUs to work on solving broadband deployment challenges</li> </ul>

Letter	Glossary Terms
	<p>in vulnerable communities. In August 2021, NTIA established OMBI to codify NTIA’s work on the MBI.</p>
<p><b>P</b></p>	<ul style="list-style-type: none"> <li>● <b>Performance (Technical) Report (PPR):</b> Semi-annual report that documents details regarding key project outputs and outcomes. Performance reports must be submitted on a semi-annual basis for periods ending March 31 and September 30. Recipients should reference their CD-450 on how to submit the Performance (Technical) Report.</li> <li>● <b>Program Income:</b> See 2 CFR Part 200.307. For further information, see Section 7.g. of this handbook.</li> <li>● <b>Program Office:</b> NTIA works with the Grants Office in the post-award management of CMC grants, including administrative tasks, performance tracking, and recipient monitoring for award compliance on a daily basis.</li> <li>● <b>Public Computer Center (PCC):</b> Place that provides broadband access to the general public or a specific vulnerable population, such as low-income, unemployed, aged, children, minorities, and people with disabilities.</li> </ul>
<p><b>R</b></p>	<ul style="list-style-type: none"> <li>● <b>Reasonable Costs:</b> Costs based on one or more of the following principles: ordinary and necessary, market prices, prudent person, or established practices. A reasonable cost does not exceed what a prudent person would incur under the circumstances prevailing at the time the decision was made to incur the cost. Please see the cost principles applicable to the recipient or subrecipient for the relevant definition.</li> <li>● <b>Recipient:</b> Organization(s) awarded a grant to implement a CMC Project. Recipient or Award Recipient is the preferred term in place of Awardee or Grantee.</li> </ul>
<p><b>S</b></p>	<ul style="list-style-type: none"> <li>● <b>Specific Award Conditions (SAC):</b> Specific conditions attached to an award that may amend or take precedence over DOC standard terms and conditions on a case-by-case basis when allowed by the Department’s standard terms and conditions.</li> <li>● <b>Standard Form-424 (SF-424):</b> Core government-wide standard data sets and forms for grant application packages. Use of the SF-424 Form Families reduces the administrative burden to the Federal grants community, including applicants, recipients, and Federal staff involved in grants-related activities.</li> <li>● <b>Subrecipient:</b> Entity that receives funds when a recipient makes a subaward to carry out a Federal program. Subrecipients do not include individuals who are beneficiaries of a project.</li> </ul>
<p><b>T</b></p>	<ul style="list-style-type: none"> <li>● <b>Tribal Colleges and Universities (TCUs):</b> a category of higher education, minority-serving institutions defined in the Higher Education Act of 1965.</li> </ul>
<p><b>U</b></p>	<ul style="list-style-type: none"> <li>● <b>Unique Entity Identifier (UEI):</b> A UEI is a unique number assigned to all entities (public and private companies, individuals, institutions, or organizations) who register to do business with the federal government. The UEI is the non-proprietary identifier that replaces the DUNS and is requested in and assigned by the System for Award Management (SAM.gov).</li> <li>● <b>Unliquidated Obligation:</b> Obligations incurred for which the corresponding expenditure has not been recorded, such as supplies ordered but not yet received.</li> </ul>
<p><b>W</b></p>	<ul style="list-style-type: none"> <li>● <b>Waste:</b> the misuse of funds or resources through excessive or nonessential expenditures. An example of waste is a program manager purchasing overpriced equipment that could have been purchased for a lesser price at a different company.</li> </ul>





## Appendix C: Agency Contact List

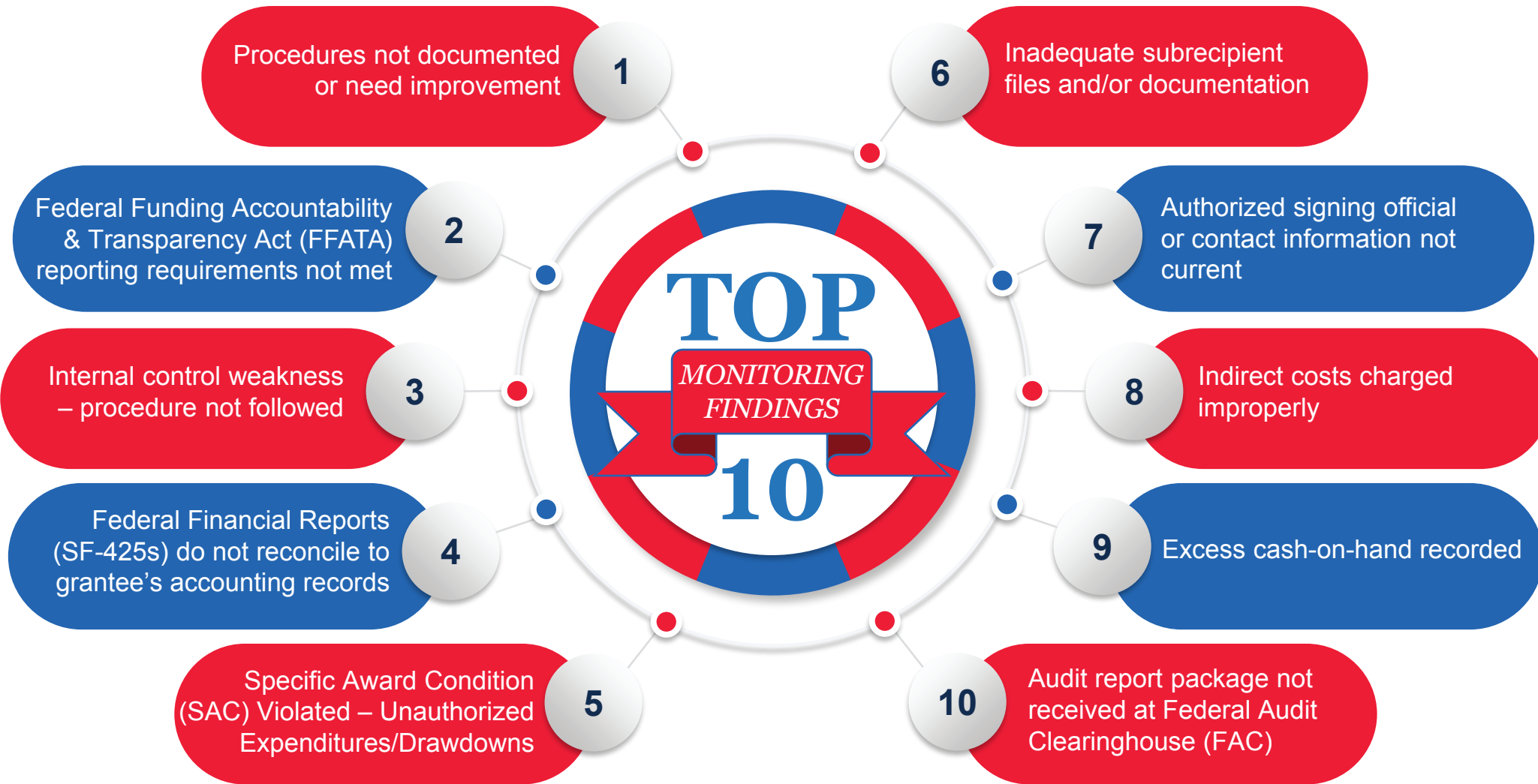
Office	Title	Name	Email
OICG Grants Management, Administration, and Compliance Office	Director	Jennifer Duane	jduane@ntia.gov
OMBI	Acting OMBI Director	Kevin Hughes	khughes@ntia.gov
	Acting OMBI Deputy Director	Shannan Williams-Mitchem	swilliams-mitchem@ntia.gov
NIST Grants Management Division	Grants Officer	Mercedes Martinez	Mercedes.martinez@nist.gov
	Grants Management Specialist	Natalie Foster	Natalie.foster@nist.gov
	Grants Management Specialist	LaJuan Howard	LaJuan.howard@nist.gov
	Grants Management Specialist	Claire Woody	Claire.woody@nist.gov

Table last updated 6/27/2022

ASAP Contact Information			
Location	Time Zone	Phone	Business Hours
Philadelphia ASAP Regional Office	Eastern	(215) 516-8021	7:30 a.m. – 4:00 p.m.
Kansas City ASAP Regional Office	Central	(816) 414-2100	7:30 a.m. – 4:00 p.m.
San Francisco ASAP Regional Office	Pacific	(510) 594-7182	7:30 a.m. – 4:00 p.m.



# TOP 10 MONITORING FINDINGS



Avoid monitoring findings by coordinating with your National Telecommunications and Information Administration (NTIA) Federal Program Officer (FPO).



# PREVENTING WASTE, FRAUD, ABUSE, AND MISMANAGEMENT

## WASTE

Squandering grant funds or resources through excessive or non-essential spending.



*Example: Buying overpriced or unnecessary equipment*

*Example: Inflating hours billed to the project*



## FRAUD

Attempting to obtain something of value through willful misrepresentation.

## ABUSE

Misusing one's position or grant funds intentionally or unacceptably.



*Example: Writing specifications to favor a specific contractor*

*Example: Renewing the license for a software that is no longer needed*



## MISMANAGEMENT

Failing to appropriately manage grant funds.

**ALLEGATIONS OF WASTE, FRAUD, ABUSE, OR MISMANAGEMENT CAN RESULT IN OFFICE OF INSPECTOR GENERAL (OIG) AUDITS OR INVESTIGATIONS.**



## TIPS FOR MITIGATION

- ✔ Develop and implement fair, transparent, and effective processes, including a system of accounting, procurement policies, internal controls, records control, and records retention.
- ✔ Examine existing processes and internal controls to identify areas vulnerable to fraud.
- ✔ Host regular trainings to educate staff on risks.
- ✔ Implement an internal compliance and ethics program that encourages the recognition and reporting of waste, fraud, abuse, and mismanagement.
- ✔ Check that all financial and performance reports are supported with the required documentation.
- ✔ Conduct monthly bank reconciliations to identify errors or irregularities.



Allegations of waste, fraud, abuse, and mismanagement may be made anonymously through the OIG Hotline at 1-800-424-5197.



D.3.



# Allowable & Unallowable Costs



- ★ Recipients need to know what they can and cannot use grant funds for in order to maximize impact and minimize risk.
- ★ **Allowable costs** are reasonable, allocable, and necessary costs that may be paid for by the Federal grant. They must be allowable as defined by the terms of the award and 2 CFR 200.
- ★ **Unallowable costs** cannot be paid for by the grant. They include excessive or unreasonable costs and those expressly unallowable by the terms of the award and 2 CFR 200.

## DO'S

## DON'TS

**Personnel Costs**  
Salaries, wages, & fringe for personnel working directly on the grant

**Personnel Costs**  
For non-project staff

**Evaluation/Data Collection**  
To collect data and document best practices

**Construction Activities**  
Activities related to construction

**Equipment & Devices**  
Directly related to project activity

**Previously Incurred Costs**  
Aside from certain pre-application expenses

**Sub-Awards**  
As well as third-party contractor costs

**Profits & Fees**  
Or other incremental charge above actual cost

**Training and Outreach**  
For purposes necessary to meet the requirements of the award

**Prohibited Services or Equipment**  
As identified in 2 CFR § 200.216

**Reasonable Pre-Application Expenses**  
No more than \$50,000

**Repaying Loans**  
Or as collateral for new loans

**Other Allowable Costs**  
Refer to the Notice of Funding Opportunity (NOFO)

**Other Unallowable Costs**  
Refer to the NOFO and 2 CFR § 200, Subpart E



Contact your assigned Federal Program Officer (FPO) if you are unsure if a cost is allowable.



# WHAT IS PROCUREMENT?

**Procurement** is the process of obtaining goods and services for your organization. As part of procurement, recipients select vendors and establish the payment terms.

## – METHODS OF PROCUREMENT –

### *MICRO-PURCHASES*

The acquisition of supplies or services where the aggregate dollar amount of which does not exceed the Micro-Purchase Threshold, currently set at \$10,000.\*

- To the extent practical, purchases must be distributed equitably among qualified suppliers with reasonable prices.
- Purchases can be awarded without competition if the price is reasonable.

### *SMALL PURCHASES*

Relatively simple and informal procurement method for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold, currently set at \$250,000.\*

- Bids must be obtained from an adequate number of qualified sources.

### *COMPETITIVE SEALED BIDDING*

Bids are publicly solicited and a firm-fixed-price contract is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

### *COMPETITIVE PROPOSAL (NEGOTIATED PROCUREMENT)*

Normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded.

- Generally used when conditions are not appropriate for the use of sealed bids.

### *PROCUREMENT BY NONCOMPETITIVE PROPOSALS*

Procurement through the solicitation of a proposal from only one source. This method may be used only under specified circumstances:

- Single source
- Emergency or exigent circumstances
- Federal agency authorizes non-competitive procurement
- Competitive procurement did not yield an adequate number of vendors

*\*The current micro-purchase and small purchase thresholds were set on 8/31/20 by FAR-2018-0011 and are subject to change.*



Refer to 2 CFR Part 200.317-326 (General procurement standards) for the Federal requirements for procurement.





# TIPS FOR SUCCESSFUL PROCUREMENT



- ✔ Maintain written standards of conduct covering conflicts of interest and governing the performance of employees engaged in the selection, award, and administration of contracts.
- ✔ Establish and maintain written procurement policies and procedures that reflect applicable State, tribal, or local laws and regulations, as well as conform to applicable Federal law.
- ✔ Make reasonable requirements for your competitive purchases. For example, do not require excessive experience or bonding.
- ✔ Pay attention to real or apparent entity conflicts of interest, such as buying goods from a family member.
- ✔ Compare price, quality, and/or performance of “brand” name items with equivalent items.
- ✔ Learn about (and practice) checking the contractor debarment list on SAM.gov.
- ✔ Compare lease to purchase costs for equipment; sometimes leasing is more economical.
- ✔ When selecting a contractor, consider contractor integrity, compliance with public policy, record of past performance, financial and technical resources, responsive bid, and exclusion record.
- ✔ Retain sufficient records detailing every procurement transaction related to the project.
- ✔ Use the Dynamic Small Business Search tool to view databases for minority businesses, women-owned businesses, and small businesses. Document these searches to demonstrate compliance with 2 CFR Part 200.321 (Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms).
- ✔ A State must follow the same policies and procedures it uses for procurements from its non-Federal funds and adhere to applicable Federal standards. If there is a conflict, follow the most strict requirement.



Refer to 2 CFR Part 200.317-326 (General procurement standards) for the Federal requirements for procurement.





## Appendix E: Checklists

In this section of the Appendix, you will find helpful checklists to guide you through the post-award reporting and compliance process.

### Allowable and Unallowable Costs Checklist

**Allowable costs** are reasonable, allocable, and necessary costs that may be paid for by the Federal grant. They must be allowable as defined by the terms of the award, 47 CFR Part 302, 2 CFR Part 200, and approved by the Grants Officer as part of the project budget.

**Unallowable costs** cannot be paid for by the grant. If a cost is not reasonable, allocable, or necessary, then the cost is unallowable. Unallowable costs include excessive or unreasonable costs and those expressly unallowable by the terms of the award, 47 CFR Part 302, and 2 CFR Part 200.

This checklist generally outlines allowable and unallowable costs under the National Telecommunications Information Administration (NTIA) Connecting Minority Communities (CMC) Pilot Program. Refer to [Notice of Funding Opportunity, 47 CFR Part 302 \(Connecting Minority Communities Pilot Program\)](#), and [2 CFR Part 200 Subpart E \(Cost Principles\)](#) for additional information on how grant funds can be spent. Please contact your assigned Federal Program Officer (FPO) or Grants Specialist if you have any questions.

#### Allowable Costs Checklist

Type		Description
<input type="checkbox"/>	<b>Purchase of Broadband Internet Service</b>	Including the installation or upgrade of broadband facilities on a one-time, capital improvement basis to increase or expand broadband capacity and/or connectivity at the eligible institution.
<input type="checkbox"/>	<b>Eligible Equipment and Devices</b>	The purchase or lease of eligible equipment and devices for student or patron use, subject to any restrictions and prohibited uses. 47 CFR Part 302 defines eligible equipment as a Wi-Fi-hotspot; modem; router; device that combines a modem and router; connective device; or any equipment used to provide access to broadband internet access service.
<input type="checkbox"/>	<b>Hire and Train IT Personnel</b>	To hire and train information technology personnel who are a part of the eligible anchor institution, minority business enterprise (MBE), or tax-exempt organization.
<b>General Uses</b>		
<input type="checkbox"/>	<b>Personnel Costs</b>	Salaries, wages, and fringe benefits for staff and consultants providing services directly connected to the implementation of the grant.
<input type="checkbox"/>	<b>Increase Broadband Services</b>	Fund increases in broadband networking capability, hardware, software, and other digital technology for broadband services, remote education, and distance learning.
<input type="checkbox"/>	<b>Equipment and Devices</b>	Such as laptops, tablets, and hotspots that support connectivity for remote education.

Type		Description
<input type="checkbox"/>	<b>Affordable Broadband Programs</b>	Fund, provide, and implement affordable broadband programs that facilitate greater access to broadband services, devices, and equipment. Includes providing free or reduced-cost broadband service and preventing the disconnection of existing broadband service.
<input type="checkbox"/>	<b>Outreach and Awareness Programs</b>	Fund, provide, and implement digital training, education, technology support, outreach, and awareness programs, including curricula and web-based resources that facilitate remote education.
<input type="checkbox"/>	<b>Access to Broadband Services</b>	Including improvement of broadband services and equipment in eligible institutions.
<input type="checkbox"/>	<b>Needs Assessment and Planning</b>	Conduct needs assessments and develop plans for increasing broadband adoption and access to remote education.
<input type="checkbox"/>	<b>Program Evaluation and Data Collection Activities</b>	To collect data and document best practices for replicable and sustainable programs. Eligible activities include gathering data through different methodologies (including surveys, case studies, focus groups, etc.); conducting evaluations of the programs funded by the grant to determine their effectiveness and develop best and replicable practices; and conducting research and publishing and disseminating those findings.
<input type="checkbox"/>	<b>Subawards and Third-Party Contractor Costs</b>	Associated with carrying out programmatic activities, including program implementation and consulting services.
<input type="checkbox"/>	<b>Reasonable Pre-Application Expenses</b>	Not to exceed \$50,000. May be reimbursed if incurred after the publication date of the NOFO and prior to the date of issuance of the grant award.
<input type="checkbox"/>	<b>Other Necessary Costs</b>	Costs necessary to carry out programmatic activities of an award.
<b><i>Where the eligible recipient will build the broadband capacity of the institution of higher education to provide educational instruction and learning opportunities, including through remote instruction.</i></b>		
<input type="checkbox"/>	<b>Purchase Equipment and Devices</b>	Purchase laptops, hotspots, or other broadband internet and instructional equipment, excluding mobile phones.
<input type="checkbox"/>	<b>Broadband Internet Services</b>	Pay for broadband internet services through bulk purchase agreements.
<input type="checkbox"/>	<b>Software, Online Licensing Fees, and Resources</b>	Pay for software, online licensing fees, and resources.

Type		Description
<input type="checkbox"/>	<b>Sign-Up Assistance</b>	Provide assistance to students to sign up for other available low-cost internet access programs and device subsidies.
<input type="checkbox"/>	<b>Training</b>	Provide technology support and training.
<input type="checkbox"/>	<b>Broadband Equipment and Subsidy Programs</b>	Manage and administer broadband equipment and subsidy programs.
<b><i>Where the eligible recipient will hire and train information technology personnel.</i></b>		
<input type="checkbox"/>	<b>Digital Skills Training</b>	Provide advanced digital skills training, including STEM/STEAM, coding, cybersecurity, technician, and IT-related training programs within applicant-designated anchor communities.
<input type="checkbox"/>	<b>Apprenticeships and Internships</b>	Provide apprenticeship and internship programs within applicant-designated anchor communities.
<input type="checkbox"/>	<b>IT Professional Development</b>	Provide IT-related professional development opportunities for faculty, students, and staff to develop a diverse IT workforce within applicant-designated anchor communities.
<b><i>Where the eligible recipient is a consortium (led by an eligible institution of higher education, and includes an MBE or tax-exempt 501(c)(3) organization) and will focus on promoting access and adoption of broadband internet services and digital inclusion to eligible recipients in anchor communities.</i></b>		
<input type="checkbox"/>	<b>Technology Support</b>	Including IT services.
<input type="checkbox"/>	<b>Digital Skills Training</b>	Provide advanced digital skills training and train IT personnel within applicant-designated anchor communities.
<input type="checkbox"/>	<b>Broadband Adoption and Computer Access</b>	Promote broadband adoption and computer access within applicant-designated anchor communities.
<input type="checkbox"/>	<b>Technical Assistance</b>	Provide technical assistance to residents within applicant-designated anchor communities to sign up for other available low-cost internet access programs and device subsidies.
<input type="checkbox"/>	<b>Staffing</b>	Pay for staffing required to carry out these activities, including internships, stipends, and apprenticeships.
<b><i>Where the eligible recipient is a consortium and the eligible MBE or tax-exempt 501(c)(3) organization will focus on supporting their broadband and IT-related operations.</i></b>		

Type		Description
<input type="checkbox"/>	<b>IT Personnel</b>	Hire and train IT personnel.
<input type="checkbox"/>	<b>Equipment and Devices</b>	Purchase laptops, Wi-Fi hotspots, or other broadband-related equipment, excluding mobile phones, to include distribution for community use (within applicant-designated anchor communities).
<input type="checkbox"/>	<b>Broadband Internet Access</b>	Pay for broadband internet access services within applicant-designated anchor communities.
<b><i>Where the eligible recipient is a consortium and the eligible MBE or tax-exempt 501(c)(3) organization will focus on promoting inclusive innovation, workforce and economic development, and entrepreneurship in anchor communities.</i></b>		
<input type="checkbox"/>	<b>IT Personnel</b>	Hire and train IT personnel.
<input type="checkbox"/>	<b>Digital Skills Training</b>	Provide advanced digital skills training, including STEM/STEAM, coding, cybersecurity, and Smart technologies within applicant-designated anchor communities.
<input type="checkbox"/>	<b>IT Support</b>	Provide IT-related business support, workforce and economic development centers, and business incubators within applicant-designated anchor communities.
<input type="checkbox"/>	<b>IT Apprenticeships and Internships</b>	Provide IT apprenticeship and internship programs within applicant-designated anchor communities.

### Unallowable Costs Checklist

Type		Description
<input type="checkbox"/>	<b>Previously Incurred Costs</b>	Grant funds cannot be used to pay for previously incurred administrative costs (aside from certain pre-application expenses) or previously purchased equipment.
<input type="checkbox"/>	<b>Profits and Fees</b>	Or any other incremental charge above actual cost.
<input type="checkbox"/>	<b>Personnel Costs</b>	For non-project staff.
<input type="checkbox"/>	<b>Duplicative or Redundant Costs</b>	Grant funds cannot pay for the costs of providing broadband service or eligible equipment to any locations or individuals already receiving funding for such services or equipment.

Type		Description
<input type="checkbox"/>	<b>Repaying Loans</b>	Or as collateral for new loans.
<input type="checkbox"/>	<b>Certain Telecommunications and Video Surveillance Services or Equipment</b>	Funds cannot be used to procure, obtain, or support certain telecommunications and video surveillance services of equipment defined in 2 CFR Part 200.216.
<input type="checkbox"/>	<b>Prohibited Uses of Equipment</b>	Grant-funded equipment cannot be sold or transferred for a thing of value during the life of the equipment (see 47 CFR Part 302.7(d)). Comply with the property standards, including the use and disposition requirements, contained in 2 CFR Part 200.311-316.
<input type="checkbox"/>	<b>Mobile Phones</b>	Funds cannot be used to purchase mobile phones.
<input type="checkbox"/>	<b>Construction Activities</b>	Activities related to construction are not allowable.
<input type="checkbox"/>	<b>Pre-Award Costs</b>	No more than \$50,000 of the grant funds can be used to pay for the preparation of the grant.
<input type="checkbox"/>	<b>Sale or Transfer of Grant-Funded Equipment</b>	The sale or transfer of grant-funded equipment for a thing or service of value during the life of the equipment is not allowed.
<input type="checkbox"/>	<b>Unauthorized Activities</b>	Costs attributable to any other activities not authorized by the Connecting Minority Communities Pilot Program.

## Preparing for Desk Review / Site Visit Checklist

**Desk Reviews** are monitoring engagements during which the FPO reviews recipient-provided project documentation of processes and procedures to ensure compliance with all required statutes, regulations, terms, and conditions of an award, as well as assess overall project implementation and any need for technical assistance actions.

**Site Visits** are on-site monitoring engagements during which the FPO and representatives from the Grants Office travel to the project site to assess ongoing project implementation and administrative capacity. They also inspect grant-funded physical infrastructure. Site visits are an opportunity for recipients to share project successes and challenges and receive direct technical assistance as needed.

The checklists below outline the task areas and supporting documentation to be reviewed during a Desk Review or Site Visit. To prepare for a monitoring engagement, utilize the checklists to ensure that all necessary elements are ready for review. It is important to note that many of the elements reviewed during a Desk Review are also reviewed during a Site Visit, and that the items on the Desk Review checklist are not mutually exclusive.

### Desk Review Checklist

Task Area	Description
<b>Administrative</b>	Does your organization have adequate, written, and updated standard operating procedures clearly outlining the roles and responsibilities of key administrative personnel that are readily available? <input type="checkbox"/>
	Does your organization have policies and procedures, accounting systems, and financial records adequate to capture all grant expenditures and administer Federal funds? <input type="checkbox"/>
	Does your organization have timesheet and payroll policies and procedures in place, including for earning overtime/premium pay and for recording time charged to different cost centers? <input type="checkbox"/>
	Does your organization have procedures for tracking compliance with specific award conditions and can you provide evidence of doing so in the event it is requested? <input type="checkbox"/>
	Does your organization have written procedures for subrecipients that you can readily provide for the award process, grant management, risk assessment, monitoring, and closeout? <input type="checkbox"/>
	Are internal controls in place and sufficient in ensuring fraud, waste, and abuse is prevented? <input type="checkbox"/>
	Does your organization have a documented organizational chart? <input type="checkbox"/>
	Does your organization have a written record retention schedule compliant with the terms of your award? <input type="checkbox"/>
	Do you have a record of all requests requiring prior approval from the FPO? <input type="checkbox"/>



Task Area	Description	
<b>Accounting &amp; Finance</b>	Are your general ledger and other accounting records up to date and readily available?	<input type="checkbox"/>
	Can you provide a written copy of your current accounting policies and procedures?	<input type="checkbox"/>
	Is supporting documentation for allowable expense transactions properly stored and readily available?	<input type="checkbox"/>
	Are budget vs. actual comparisons complete with all calculations, reviewed and on file?	<input type="checkbox"/>
	Are all expense receipts properly stored and readily available?	<input type="checkbox"/>
	Are you able to provide detailed general ledger account information for reported periods for all your grants?	<input type="checkbox"/>
	Do the cumulative expenditures recorded in your accounting system reconcile with the cumulative expenditures reported on the Federal Financial Report (FFR) as of the most recent FFR submitted?	<input type="checkbox"/>
	Can you provide a list of all employees compensated with award funds for all grants?	<input type="checkbox"/>
	Can you clearly present the source of all matching funds?	<input type="checkbox"/>
	Can you ensure all grant expenditures are properly recorded in your accounting systems and that appropriate evidence of them, which may be requested, is readily available?	<input type="checkbox"/>
<b>Procurement and Contracts</b>	Are fringe benefits recorded separately from salaries, calculated proportionate to salaries, and adequately documented?	<input type="checkbox"/>
	Does your organization have a written procurement policy that is not in conflict with the Federal procurement policies?	<input type="checkbox"/>
	Can you provide documentation for all procurements under all grants?	<input type="checkbox"/>
	Can you provide an inventory of all equipment and materials purchased with grant funds?	<input type="checkbox"/>
	Has your organization taken affirmative and documented steps to comply with the procurement requirements of the SACs?	<input type="checkbox"/>

Task Area	Description	
	Do you have copies of all executed contracts, addendums, and change orders with vendors showing scope of work, deliverables, and payment terms?	<input type="checkbox"/>
	Does your organization maintain policies and procedures for direct vendor and subrecipient oversight?	<input type="checkbox"/>
	For subrecipients, is there an original or copy of the signed award agreement on file?	<input type="checkbox"/>
	For subrecipients, are financial and progress reports requested periodically and kept on file?	<input type="checkbox"/>
	For subrecipients, is follow up of monitoring findings conducted, recorded, and kept on file?	<input type="checkbox"/>
	For subrecipients, are budget modifications adequately reviewed, approved, and kept on file?	<input type="checkbox"/>
<b>Sales &amp; Marketing</b>	Does your organization have an effective strategy for marketing the expansion of broadband services funded by your grant?	<input type="checkbox"/>
	Does your organization encourage public comment for implementing new services?	<input type="checkbox"/>
	Does your organization adequately notify households and businesses in the project area of the availability of qualified broadband services?	<input type="checkbox"/>

### Site Visit Checklist

If you have been notified of a Site Visit, please review the above checklist in addition to the following:

Task Area	Description	
<b>Administrative</b>	Does your organization have a documented organizational chart with all key personnel names, positions, and levels that is readily available for review? Indicate the current percentage of each Full-Time Equivalent (FTE) dedicated to the grant and list key personnel roles and responsibilities.	<input type="checkbox"/>
	Have any of your key personnel changed and do you have documented prior approval?	<input type="checkbox"/>
	Does your organization have an employee handbook and ethical standards of conduct documentation?	<input type="checkbox"/>
	Does your organization track the personnel hours of on-site staff funded by grant funds? Do you have work orders or coded timesheets for workforce activities?	<input type="checkbox"/>

Task Area	Description	
	Do you have paid invoices for contractor-supported activities?	<input type="checkbox"/>
<b>Financial Management</b>	Does your organization have a written process and procedure for ASAP drawdowns?	<input type="checkbox"/>
	Does your organization have written financial management policies and procedures?	<input type="checkbox"/>
	Does your organization have written payroll processing procedures and sample time records for personnel working on the grant?	<input type="checkbox"/>
	Does your organization have the Federal funds verification report from your financial system showing Federal expenditures by cost category reported as of the most recent quarter?  <i>Note: Federal funds expended should correspond to the figures in the most recently submitted Performance (Technical) report and SF-425.</i>	<input type="checkbox"/>
<b>Procurement and Contracts</b>	Does your organization have written procurement policies, including purchasing policies and procedures?	<input type="checkbox"/>
	Do you have RFPs and other documentation to show compliance with Federal, state, and/or local procurement policies related to competitive acquisitions?	<input type="checkbox"/>
	Do you have a list of contractors funded by grant funds and their role in project execution?	<input type="checkbox"/>
	Do you have all applicable executed contract documents, including statements of work, executed change orders, and paid invoices?	<input type="checkbox"/>
	Do you have a list of all applicable subrecipients and agreements with other public organizations?	<input type="checkbox"/>
	Do you have a copy of an executed subrecipient agreement or MOU?	<input type="checkbox"/>
	Do you have a subrecipient monitoring plan?	<input type="checkbox"/>
<b>Programmatic Activities:</b> For each executed programmatic activity, collect a sample of supporting documentation that	Has your organization met the milestones of the baseline project plan and/or the most recent performance (technical) report?	<input type="checkbox"/>
	Have there been significant obstacles in the way of project progress?	<input type="checkbox"/>
	Do you have purchase orders for materials and/or equipment utilized to	<input type="checkbox"/>

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Task Area	Description	
demonstrates project milestones achieved, implementation challenges and solutions (if applicable), and outcomes.	execute the scope of work?	
	Do you have inventory reports that detail the use of materials purchased with grant funds?	<input type="checkbox"/>
	Do you have equipment usage logs that detail which equipment has been utilized at the project site?	<input type="checkbox"/>
	Do you have a project monitoring plan and a documented process for data collection activities?	<input type="checkbox"/>

## Internal Controls Checklist

This checklist provides specific tasks and measures for effective internal control as well as steps to establish them if they are not in place. For additional guidance, please see 2 CFR 200.302(b).

Accounting System	
<input type="checkbox"/>	Accounting system identifies the receipt and expenditure of program funds separately for each contract/grant.
<input type="checkbox"/>	Accounting system has provisions to record expenditures for each grant/contract by the component project and budget cost categories shown in the approved budget.
<input type="checkbox"/>	Time distribution records are maintained for an employee when his/her effort can be specifically identified to a particular cost objective.
<input type="checkbox"/>	Recipients have an approved indirect cost rate with the Federal Government.
<input type="checkbox"/>	Accounting/financial system include budgetary controls to preclude incurring obligations in excess of the total funds available for a grant or budget cost category (e.g., Personnel, Travel).
<input type="checkbox"/>	Recipients are generally familiar with the existing regulations and guidelines containing the cost principles and procedures for the determination and allowance of costs in connection with Federal contracts/grants.
<input type="checkbox"/>	Federal grant/contract funds and related costs and expenses can be distinctly accounted for if grant/contract funds are commingled with recipient's funds.
Financial Capabilities	
<input type="checkbox"/>	An independent certified public accountant (CPA) has examined the financial statements.
<input type="checkbox"/>	The recipient has retained copies of the CPA's latest report and any management letters issued.
<input type="checkbox"/>	The recipient is generally familiar with the existing regulations and guidelines containing the cost principles and procedures for the determination and allowance of costs in connection with Federal contracts/grants.
<input type="checkbox"/>	The recipient files audits with the Federal Audit Clearinghouse in a timely manner, if applicable.

Property Management	
<input type="checkbox"/>	<p>The recipient's property management system provides for maintaining:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> a description of the property;</li> <li><input type="checkbox"/> an identification number;</li> <li><input type="checkbox"/> source of the property;</li> <li><input type="checkbox"/> where the title vests;</li> <li><input type="checkbox"/> the acquisition date;</li> <li><input type="checkbox"/> the Federal share of property cost;</li> <li><input type="checkbox"/> the location and condition;</li> <li><input type="checkbox"/> the acquisition cost;</li> <li><input type="checkbox"/> the ultimate disposition information</li> </ul>
<input type="checkbox"/>	<p>The recipient's property management system provides for a physical inventory and reconciliation of property at least every two years.</p>
Procurement Management	
<input type="checkbox"/>	<p>The recipient maintains written procurement procedures to:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> promote competition;</li> <li><input type="checkbox"/> avoid unnecessary purchases;</li> <li><input type="checkbox"/> provide an analysis of lease vs. purchase alternatives;</li> <li><input type="checkbox"/> provide a process for soliciting goods and services.</li> </ul>
<input type="checkbox"/>	<p>There is a written code of conduct for procurement staff.</p>
<input type="checkbox"/>	<p>Conflict of interest rules are in place to apply to the recipient's procurement system.</p>
<input type="checkbox"/>	<p>Employees sign a conflict of interest statement annually.</p>
<input type="checkbox"/>	<p>The recipients include the Federal clauses in contracts and sub-grants.</p>
<input type="checkbox"/>	<p>The recipient's procurement system provides for the conduct and documentation of cost or price analysis for each procurement action.</p>
<input type="checkbox"/>	<p>The recipient assesses the financial capability of a contractor to perform the contract.</p>
<input type="checkbox"/>	<p>The recipient conducts internal reviews of the procurement files for adherence to statutes, regulations, and organization policies.</p>



<input type="checkbox"/>	Duties and functions are segregated within a recipient's organization to ensure that adequate checks and balances exist.
<input type="checkbox"/>	Policies regarding subrecipient suspension or debarment are in place.
<b>Subrecipient Management</b>	
<input type="checkbox"/>	There is a subrecipient monitoring system in place ( <i>i.e.</i> , written policies).
<input type="checkbox"/>	There is regular communication with subrecipients.
<input type="checkbox"/>	A process for recipient review of the costs contained in a sub-grant Application is in place.
<input type="checkbox"/>	A schedule for subrecipients to submit required financial and progress reports to the recipient is in place.
<input type="checkbox"/>	The recipient conducts subrecipient site visits and site visit criteria are in place.
<b>Contractor Management</b>	
<input type="checkbox"/>	A contract administration system is in place ( <i>i.e.</i> , written policies).
<input type="checkbox"/>	There is regular communication with the contractor.
<input type="checkbox"/>	Recipient reviews invoices submitted by the contractor.
<input type="checkbox"/>	The recipient verifies contract deliverables.

<b>ASAP / Draw Down Funds Checklist</b>		<b>Completion Dates</b>
<input type="checkbox"/>	Understand payment policies, allowable costs, and restrictions on use of CMC funds.	Before drawing down CMC funds.
<input type="checkbox"/>	Register with ASAP (if not registered already).	As soon as possible.

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<input type="checkbox"/>	Draw down funds from ASAP into an insured, interest-bearing account.	Monthly, or as needed.
<input type="checkbox"/>	Return any unused funds or interest accrued to ASAP.	Monthly, or as needed.

## Budget Revisions Checklist

Budget Revisions	
<input type="checkbox"/>	Communicated with FPO regarding budget revision.
<input type="checkbox"/>	Completed required Form SF-424A.
<input type="checkbox"/>	SF-424 specifies the total approved budget for the award versus the requested revisions.
<input type="checkbox"/>	SF-424 includes a detailed budget narrative explaining the transfer of funds.
<input type="checkbox"/>	SF-424 sent to the program office by the recipient.
<input type="checkbox"/>	Revised budget narrative to align to SF-424.
<input type="checkbox"/>	Revised budget detail and narrative to align to SF-424.

# NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION FACT SHEET

## CONNECTING MINORITY COMMUNITIES PROGRAM AWARD OVERVIEW

### WHAT IS THE PURPOSE OF THIS PROGRAM?

The Department of Commerce (DOC) National Telecommunications and Information Administration (NTIA) Connecting Minority Communities (CMC) Pilot Program provides grants to Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and Minority-Serving Institutions (MSIs) for the purchase of broadband internet access service and eligible equipment, or to hire and train information technology personnel.

### HOW MUCH FUNDING IS AVAILABLE?

NTIA made up to \$268,000,000 available for Federal assistance, with at least 40% of grant funds set aside for distribution to qualifying historically Black colleges or universities. In addition, at least 20% of grant funds were set aside for eligible HBCUs, TCUs, and MSIs to provide broadband internet access service and/or eligible equipment to their students.

### WHICH LEGISLATION ESTABLISHED THE CMC PILOT PROGRAM?

The CMC Pilot Program was authorized by Section 902(c) of the Consolidated Appropriations Act, 2021.

### HOW MAY FUNDS BE USED?

CMC Pilot Program grants are provided to HBCUs, TCUs, and MSIs to facilitate education instruction and learning, including through remote instruction; and to consortia including minority business enterprises (MBEs) or tax-exempt 501(c)(3) organizations. Recipients may use grant funds to:

- Purchase broadband internet access service, including the installation or upgrade of broadband facilities on a one time, capital improvement basis to increase or expand broadband capacity and/or connectivity at the eligible institution
- Purchase or lease eligible equipment and devices for student or patron use, subject to restrictions/prohibited uses
- Hire and train information technology personnel who are a part of the eligible anchor institution, MBE, or tax-exempt 501(c)(3) organization

### WHAT ARE THE REPORTING REQUIREMENTS?

The recipient of Federal funds is responsible for ensuring all reports are submitted on time and complete. CMC Pilot Program recipients have the following reporting requirements:

- **Baseline Report:** Due 45 days after award date
- **Federal Financial Report (SF-425):** Due quarterly on April 30, July 30, October 30, and January 30
- **Semi-Annual Performance (Technical) Report:** Due semi-annually on April 30 and October 30
- **Annual Performance (Technical) Report:** Due December 29
- **Annual Report:** Due one year after receiving grant funds and annually thereafter
- **Annual Certification:** Due October 30
- **Final Performance (Technical) and Financial Reports:** Due 120 days after the end of the project period



# NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION FACT SHEET

## CONNECTING MINORITY COMMUNITIES PROGRAM AWARD OVERVIEW CONTINUED

### WHAT STATUTES, RULES, AND REGULATIONS NEED TO BE FOLLOWED?

- NTIA-CMCP-2021, Connecting Minority Communities Pilot Program Notice of Funding Opportunity
- 47 CFR Part 302, CMC Pilot Program Regulations
- 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements
- DOC Financial Assistance Standard Terms and Conditions
- Specific Award Conditions (SACs) incorporated into the grant award

### HOW WILL NTIA MONITOR GRANTS AND PROVIDE TECHNICAL ASSISTANCE?

NTIA, in coordination with the National Institute of Standards and Technology (NIST) Grants Office, will conduct monitoring and oversight activities of awards. Recipients should ensure they are fulfilling the requirements mandated by Federal regulations and any SACs incorporated into the grant.

NTIA offers technical assistance on a broad set of topics, including financial management and regulatory compliance requirements. In addition, NTIA will select some awardees for virtual desk reviews or in-person site visits.

Recipients are responsible for conducting monitoring and oversight of their award subrecipients. Best practices for monitoring subrecipients include conducting a risk assessment, implementing a formal subrecipient monitoring plan, and creating an effective subrecipient legal agreement.

### HOW DO RECIPIENTS ACCESS AWARD FUNDS?

Recipients drawdown funds using the Department of the Treasury Automated Standard Application for Payment (ASAP) system. Recipients must enroll in ASAP within 10 days of award. Payments are made through preauthorized Electronic Funds Transfers withdrawn online or via the Voice Response System (VRS). Unless otherwise specified in the award terms, withdrawal of funds through ASAP is considered a funding advance.

### WHERE DO RECIPIENTS GO FOR HELP?

Resources:

- Broadband USA Website
- CMC Pilot Program Grant Recipient Handbook

Agency Contacts:

- Assigned Federal Program Officer (FPO)
- Assigned NIST Grants Specialist (GS)
- ASAP (Available between 7:30 a.m. and 4:00 p.m.)
  - Philadelphia ASAP Regional Office (Eastern Time): (215) 516-8021
  - Kansas City ASAP Regional Office (Central Time): (816) 414-2100
  - San Francisco ASAP Regional Office (Pacific Time): (510) 594-7182



# NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION FACT SHEET

## SUBRECIPIENTS AND CONTRACTORS

Recipients may work with subrecipients and contractors (vendors) for assistance throughout the course of the awarded projects. The roles of each entity in a Federal assistance award are characterized below:

- A **subrecipient** is involved in the substantive activities of the awarded project to accomplish program objectives. Terms and conditions from the grant award flow down to the subrecipient.
- A **contractor** provides goods and services to benefit the grant recipient. A contractor does not seek to accomplish a public benefit; rather, it pursues its own commercial objectives.

### SUBRECIPIENT AND CONTRACTOR DETERMINATIONS (2 CFR § 200.331)

Use the checklist below in determining whether grant payments expected to be made to a project participant constitute a Federal award or a payment for goods and services.

#### SUBRECIPIENT

Characteristics that indicate a Federal award received by a subrecipient are when the organization:

- Determines who is eligible to receive Federal financial assistance.
- Has its performance measured against whether the objectives of the Federal program are met.
- Has responsibility for programmatic decision making.
- Has responsibility for adherence to applicable Federal program compliance requirements.
- Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the recipient.

#### CONTRACTOR

Characteristics that indicate a payment for goods and services received by a vendor are when the organization being paid:

- Provides the goods and services within normal business operations.
- Provides similar goods or services to many different purchasers.
- Operates in a competitive environment, subject to procurement requirements.
- Provides goods or services that are ancillary to the operation of the Federal program.
- Is not subject to compliance requirements of the Federal program.

### WHAT NEEDS TO BE PRESENT IN A SUBAWARD? (2 CFR § 200.332)

Recipients ensure that every subaward is clearly identified to the subrecipient as a subaward (as opposed to a contract) and includes the following Federal award identification information at the time the subaward is made:

- Subrecipient name (which must match the name associated with its unique entity identifier) and unique entity identifier
- Federal Award Identification Number (FAIN) and Federal Award Date
- Subaward Period of Performance Start and End Date
- Subaward Budget Period Start and End Date
- Amount of Federal Funds Obligated by this action by the recipient to the subrecipient
- Total Amount of Federal Funds Obligated to the subrecipient by the recipient including the current financial obligation
- Total Amount of the Federal Award committed to the subrecipient by the recipient
- Federal award project description, as required by the Federal Funding Accountability and Transparency Act (FFATA)
- Name of Federal awarding agency, recipient, and contact information for awarding official of the recipient
- Assistance Listings number and Title: The recipient must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement
- Identification of whether the award is R&D
- Indirect cost rate for the Federal award (including if the de minimis rate is charged)
- All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award
- Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency, including any required financial and performance reports





# NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION FACT SHEET

## *SUBRECIPIENT MONITORING (2 CFR § 200.332)*

### **SUBRECIPIENT RISK ASSESSMENT**

Recipients must evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions. Recipients should consider the following:

- The subrecipient's prior experience with the same or similar subawards.
- The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F of this part, and the extent to which the same or similar subaward has been audited as a major program.
- Whether the subrecipient has new personnel or new or substantially changed systems.
- The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

Recipients may also impose additional requirements upon subrecipients in the terms of the subaward agreement.

### **SUBRECIPIENT MONITORING**

Recipients must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes. Recipient monitoring of the subrecipient must include:

- Reviewing financial and performance reports required by the recipient.
- Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the recipient.
- Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through to clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. The management decision should describe any appeal process available to the auditee.

Recipients may choose to take additional actions to ensure subrecipient compliance depending upon the recipient's assessment of risk posed by the subrecipient. The following monitoring tools may be useful for the Recipient to ensure proper accountability and compliance:

- Providing subrecipients with training and technical assistance on program-related matters.
- Performing on-site reviews of the subrecipient's program operations.
- Arranging for agreed-upon-procedures engagements and establishing standard operating procedures for subrecipient activities.

### **SUBRECIPIENT AUDIT REQUIREMENTS**

The Recipient is responsible for verifying that every subrecipient is audited as required by Subpart F of 2 CFR § 200 when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the Single Audit threshold of \$750,000.

### **AUDIT REQUIREMENTS FOR FOR-PROFIT SUBRECIPIENTS**

The recipient is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients (see section D.01.c. of the DOC Financial Assistance Standard Terms and Conditions). The agreement with the for-profit subrecipient must describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits.



# NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

## *SPECIFIC AWARD CONDITIONS*

### WHAT ARE SACS?

Specific Award Conditions (SACs) are standardized terms of Federal awards supporting project execution, grant administration, and regulatory compliance. SACs are established by the Program and Grants Offices and must be followed by all recipients. While there are some general SACs applicable to all grant recipients, some recipients may have additional SACs imposed depending on administrative burdens and project complexity. Examples of SACs include, but are not limited to:

- **Period of Performance and Funding Limitations**
- **Department of Commerce Financial Assistance Standard Terms and Conditions**
- **Incorporation of the Notice of Funding Opportunity**
- **Reporting Requirements and Timeline**
- **Domestic Preferences for Procurements (Buy American):** Recipients must, to the greatest practical extent, provide a preference for materials, goods, and services produced in the United States.
- **Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms:** Recipients must take affirmative steps to ensure that small and minority owned-businesses, women-owned businesses, and labor surplus area firms are used whenever possible.

### DO ALL RECIPIENTS HAVE THE SAME SACS?

No, not all recipients will have the same SACs. Though most SACs will be consistent across a grant program, some will be specific to certain subsets of awards or to certain recipients. For example, all recipients will have to comply with SACs such as *Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms*. Only Infrastructure Deployment projects have to comply with the SAC mandating that they complete an environmental assessment before project work can begin. The Program and Grants Offices determine recipient-specific SACs during the application review phase. These SACs will be communicated to the recipient directly.

### WHERE CAN RECIPIENTS FIND THE SACS THAT APPLY TO THEIR AWARD?

Recipients should consult their CD-450 to determine the full spectrum of SACs that apply to their project. If recipients have any questions about SACs, they should contact their FPO.

### HOW DO RECIPIENTS REMAIN SAC COMPLIANT?

To remain compliant with SACs, recipients should:

- Read and understand the SACs associated with your award (read your CD-450).
- Ensure that your organization has adequate policies and procedures to verify and validate compliance. If not, establish procedures to monitor compliance with SACs.
- Always maintain records, written communications, and correspondence with the FPO and Grants Office.

The FPOs and Grants Specialists will continue to monitor programmatic and regulatory compliance. If recipients deviate from the SACs, the Grants Office may implement corrective actions to bring delinquent recipients into compliance.

## Human Subjects Research Protection Requirements<sup>1</sup>

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All CMC Pilot Program grant recipients must comply with Department of Commerce (DOC or Department) regulations and award SACs relating to the protection of human subjects for all research conducted or supported pursuant to a NTIA grant award. The Department's policies related to the protection of human subjects are found in 15 C.F.R. Part 27.<sup>2</sup>

While the Connecting Minority Communities Pilot Program Notice of Funding Opportunity (NOFO) does allow for certain data collection activities, we believe it is unlikely that any CMC recipient-conducted data collection activities would involve human subjects.<sup>3</sup> Nevertheless, because the requirements in 15 C.F.R. Part 27 apply to CMC grants, recipients must review the following information and make an independent assessment of their planned activities and act in accordance with the Human Subjects Research (HSR) protection requirements.

Below are a few key concepts that apply to HSR:

### *Research:*

The systematic investigation, including research development, testing, and evaluation, designed to develop or contribute to generalized knowledge. Examples of systematic investigations include surveys, interviews, observations, research development of testing and evaluations that are designed to develop or contribute to the generalized knowledge. Factors that may be used to evaluate whether research will develop or contribute to generalized knowledge include:

- The information collected will be applied beyond a particular program or individual.
- The activity is conducted to examine whether the program had the desired effect on program participants, and that evaluation can inform other programs.
- The activity is conducted with the intent to replicate the program.
- The activity is designed to draw general conclusions.

### *Human Subject:*

A living individual about whom an investigator (whether professional or student) conducting research obtains: (1) Data through intervention or interaction with the individual; or (2) Identifiable private information.

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<sup>1</sup> This guidance document is intended to assist recipients of CMC awards to understand and to navigate the Human Subjects Research Protection requirements applicable to such awards. This document does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements pertaining to Human Subjects Research Protection. In all cases, statutory and regulatory mandates, and the requirements set forth in the terms and conditions of a CMC award, shall prevail over any inconsistencies or inaccuracies contained in this document.

<sup>2</sup> 15 C.F.R. Part 27, available at <https://www.ecfr.gov/current/title-15/subtitle-A/part-27>.

<sup>3</sup> See CMC Notice of Funding Opportunity, <https://broadbandusa.ntia.doc.gov/sites/default/files/2021-08/CMC%20Pilot%20Program%20NOFO%20%28FINAL%20-3-2021%29.pdf>.

For the purposes of the HSR policy, NTIA is particularly concerned about protecting certain populations from being subject to research without their informed consent and that human subjects should not incur increased risk of harm from their research involvement, beyond the normal risks inherent in everyday life. To that end, NTIA requires grant recipients to take special precautions if HSR involves certain populations. These populations include pregnant women, children, fetuses, and prisoners as set forth in the regulations at Part 46, Subparts B, C, D of Title 45 of the Code of Federal Regulations<sup>4</sup>

## CMC Program Office Expectations

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Some CMC recipients may conduct surveys of individuals as part of their CMC-funded activities. Although it is unlikely these activities will qualify as HSR, NTIA must ensure that all CMC recipients understand and comply with the appropriate HSR protection classifications, policies, and requirements by obtaining written assurances from and certifying that any CMC recipient research activities comply with the requirements set forth in 15 C.F.R. Part 27 (Protection of Human Subjects), as incorporated into every CMC award through a Specific Award Condition and the Department of Commerce Standard Terms and Conditions:

1. All proposed research involving human subjects must be conducted in accordance with 15 C.F.R. Part 27. **No research involving human subjects is permitted under this award unless expressly authorized by specific award condition, or otherwise in writing by the Grants Officer.**
2. Federal policy defines a human subject as a living individual about whom an investigator (whether professional or student) conducting research: (1) Obtains information or biospecimens through intervention or interaction with the individual, and uses, studies, or analyzes the information or biospecimens; or (2) Obtains, uses, studies, analyzes, or generates identifiable private information or identifiable biospecimens. Research means a systematic investigation, including research development, testing, and evaluation, designed to develop or contribute to generalizable knowledge.
3. 15 C.F.R. Part 27 requires that non-Federal entities maintain appropriate policies and procedures for the protection of human subjects. In the event it becomes evident that human subjects may be involved in this project, the non-Federal entity (generally through the recipient) must submit appropriate documentation to the Federal Program Officer for approval by the appropriate DOC officials. As applicable, this documentation must include:
  - i. Documentation establishing approval of an activity in the project by an Institutional Review Board (IRB) under a Federal wide Assurance issued
  - ii. Documentation to support an exemption for an activity in the project under 15 C.F.R. § 27.104(d);

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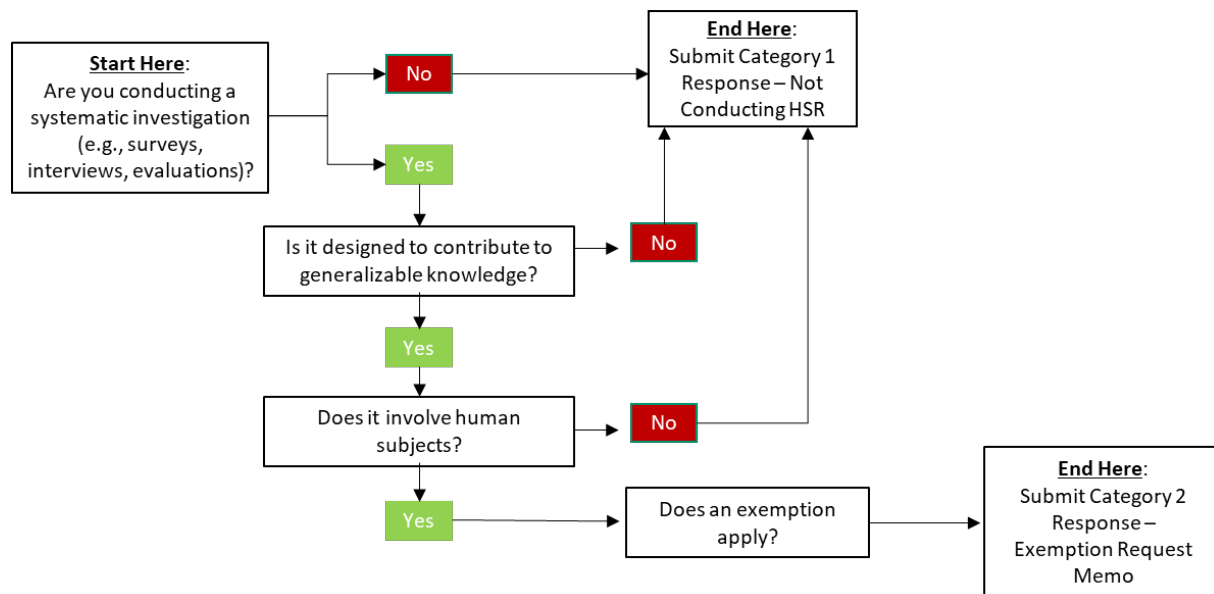
<sup>4</sup> 45 C.F.R. Part 46, Subparts B, C, and D, available at <https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-A/part-46>.

- iii. Documentation of IRB approval of any modification to a prior approved protocol or to an informed consent form;
  - iv. Documentation of an IRB approval of continuing review approved prior to the expiration date of the previous IRB determination; and
  - v. Documentation of any reportable events, such as serious adverse events, unanticipated problems resulting in risk to subjects or others, and instances of noncompliance.
4. No work involving human subjects may be undertaken, conducted, or costs incurred and/or charged for human subjects research, until the appropriate documentation is approved in writing by the Grants Officer. In accordance with 15 C.F.R. § 27.118, if research involving human subjects is proposed after an award is made, the non-Federal entity must contact the Federal Program Officer and provide required documentation. Notwithstanding this prohibition, work may be initiated, or costs incurred and/or charged to the project for protocol or instrument development related to human subjects research.

CMC recipients should review the CMC HSR Classification – Decision Tree below and consider the CMC planned activities to determine which HSR category applies to their grants.

## HSR Classification - Decision Tree

The decision tree included below can be used by CMC recipients to determine if human subjects are involved in their research, and, if the research does involve human subjects, whether it may be exempt under current Department of Commerce regulations on the protection of human subjects. Please note that because of CMC'S programmatic focus and allowable grant activities and expenditures, as defined in the NOFO, CMC recipients will not be likely engaging in research that would require review and approval by an Institutional Review Board (IRB). Therefore, information on the IRB review approval process is not included in the decision tree.





## HSR Classification Categories and Determination Criteria

After completing the decision tree, all CMC recipients should be able to determine their HSR classification categories (defined below). CMC recipients should contact their Federal Program Officer (FPO) if they have questions about the categories.

HSR CLASSIFICATION CATEGORY	DETERMINATION CRITERIA <sup>5</sup>
Category 1: Not Conducting Human Subjects Research	<ul style="list-style-type: none"> <li>• The activity does not qualify as research, as defined in 15 C.F.R. § 27.102(l), because it does not follow a systematic investigation designed to develop or contribute to generalizable knowledge.</li> <li>• The activity does not involve human subjects as defined in 15 C.F.R. § 27.102(e)(1).</li> </ul>
Category 2: Exemption Request <sup>6</sup>	<ul style="list-style-type: none"> <li>• The research is conducted in established or commonly accepted educational settings, involving normal education practices, such as (i) research on regular and special education instructional strategies, or (ii) research on the effectiveness of or the comparison among instructional techniques, curricula, or classroom management methods. See 15 C.F.R. § 27.104(d)(1).</li> <li>• The research involves the use of educational tests (i.e., cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless: (1) the information obtained is recorded in such a manner that human subjects can be identified, directly or through identifiers linked to the subjects; and (2) any disclosure of the human subjects' responses outside the research could reasonably place the subjects at risk of criminal or civil liability, or be damaging to the subjects' financial standing, employability, or reputation. If research involves survey or interview procedures, it does not involve children under the age of 18 as subjects. If research involves observation of public behavior and children under the age of 18 as subjects, the investigator(s) will not participate in the activities being observed. See 15 C.F.R. § 27.104(b)(3), (d)(2).</li> <li>• The research will involve benign behavioral interventions in conjunction with the collection of information from an adult subject through verbal or written responses (including data entry) or audiovisual recording if the subject prospectively agrees to the intervention and information collection. The information collected is recorded by the investigator in such a manner that subjects cannot be identified, directly</li> </ul>

<sup>5</sup> Determinations only remain valid so long as the activities on which the determination is based remain unchanged.

<sup>6</sup> The listed exemptions are those most likely to be relevant to CMC grant recipient activities. For the full list of exempt research categories, grant recipients should review 15 C.F.R. § 27.104(d).

	<p>or through identifiers linked to the subjects, or disclosure of the subjects' responses outside the research would not reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, educational advancement, or reputation. See 15 C.F.R. § 27.104(d)(3).</p> <ul style="list-style-type: none"> <li>● Secondary research for which consent is not required: Secondary research uses of identifiable private information or identifiable biospecimens, if at least one of the following criteria is met:             <ol style="list-style-type: none"> <li>i. The identifiable private information or identifiable biospecimens are publicly available;</li> <li>ii. Information, which may include information about biospecimens, is recorded by the investigator in such a manner that the identity of the human subjects cannot readily be ascertained directly or through identifiers linked to the subjects, the investigator does not contact the subjects, and the investigator will not re-identify subjects. See 15 C.F.R. § 27.104(d)(4).</li> </ol> </li> </ul>
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## Required Grant Recipient Action

Recipients must provide an HSR memo to their CMC FPO prior to conducting any research or administration of any surveys funded with CMC funds. To satisfy the CMC HSR requirements, recipients must state which HSR classification category is applicable and the examples of planned CMC project activities that justify inclusion in that category.

If research activities require an exemption request, a recipient may not conduct any research involving human subjects until NTIA has approved the recipient's request substantiating an HSR exemption. If a recipient conducts research before receiving NTIA approval of an exemption, recipients will be considered in material non-compliance with award terms and conditions, and any costs incurred to conduct the research could be disallowed.

The templates provided below are samples that may help recipients complete an HSR memo.

### *For Category 1 Grant Recipients:*

Provide an email or letter to FPO certifying the following (recommended text):

Based on our review of the policy described in Part 27 of Title 15 of the Code of Federal Regulations, the Common Rule for Protection of Human Subjects, we advise the National Telecommunications and Information Administration (NTIA) that the activities we expect to perform under our CMC project grant number **[INCLUDE GRANT NUMBER HERE]** do not include human subjects research as defined in 15 C.F.R. § 27.102(e).

We understand that the protection of human subjects is an ongoing activity. If our planned activities under the grant change, then we will advise our assigned Federal



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Program Officer (FPO) and seek approval from the Department of Commerce prior to any work involving human subjects research being undertaken or any charges for activities involving human subjects being incurred and/or charged to the project. We will also submit appropriate documentation to allow NTIA to certify that the research and evaluation activities we will undertake are either: (1) exempt from Human Subjects Research Protections under one of the exemptions listed in 15 C.F.R. § 27.104(d); or (2) approved by an outside Institutional Review Board in accordance with 15 C.F.R. § 27.109.

**For Category 2 Grant Recipients:**

Recipients requesting an Exemption from the Human Subjects Research Policy, please submit a request in letter format that resembles in form and substance the sample language set forth below. Please note, only the Department of Commerce can confer a Research Exemption.

**[Federal Program Officer]**

Connecting Minority Communities Pilot Program  
U.S. Department of Commerce  
National Telecommunications and Information Administration  
1401 Constitution Avenue, NW  
Room 4078  
Washington, DC 20230

Dear **[NAME OF THE FEDERAL PROGRAM OFFICER]:**

Based on review of the policy described in Part 27 of Title 15 of the Code of Federal Regulations, the Common Rule for Protection of Human Subjects, we request an exemption for the proposed research for our CMC project grant number **[INCLUDE GRANT NUMBER HERE]**.

As described in 15 C.F.R. § 27.104(d), we believe that the following exemption(s) listed below apply to our proposed evaluation:

**[From the exemptions listed below, INCLUDE ONLY THE EXEMPTION(S) THAT APPLY TO YOUR RESEARCH. Please discuss your planned activities with your FPO to decide which exemptions apply to your planned activities.]**

The research is conducted in established or commonly accepted educational settings involving normal educational practices, such as: (i) research on regular and special education instructional strategies, or (ii) research on the effectiveness of or the comparison among instructional techniques, curricula, or classroom management methods. 15 C.F.R. § 27.104(d)(1).

The research involves the use of educational tests (*i.e.*, cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless: (1) the information obtained is recorded in such a manner that human subjects can be identified, directly or through identifiers linked to the subjects; and (2) any disclosure of the human subjects' responses outside the research could reasonably place the subjects at risk of criminal or civil liability, or be damaging to the subjects' financial standing, employability, or reputation. If research involves survey or interview procedures, it does not involve children under the age of 18 as subjects. If research involves observation of public behavior and children under the age of 18 as subjects, the

investigator(s) will not participate in the activities being observed. 15 C.F.R. § 27.104(d)(2).

The research involves benign behavioral interventions in conjunction with the collection of information from an adult subject through verbal or written responses (including data entry) or audiovisual recording if the subject prospectively agrees to the intervention and information collection and at least one of the following criteria is met: (1) the information obtained is recorded by the investigator in such a manner that the identity of the human subjects cannot readily be ascertained, directly or through identifiers linked to the subjects; or (2) any disclosure of the human subjects' responses outside the research would not reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, educational advancement, or reputation. 15 C.F.R. § 27.104(d)(3).

The research will involve the collection or study of existing data, documents, or records. The information collected is publicly available, or the information is recorded by the investigator in such a manner that subjects cannot be identified, directly or through identifiers linked to the subjects. 15 C.F.R. § 27.104(d)(4).

Our research will involve:

[In this section you should summarize your research plan. Please describe: • What information do you plan to collect?

- What type of research instrument you will use to collect the information (e.g., survey, focus groups, interviews)?
- Who will participate in the research (e.g., public safety professionals, government officials, individuals who work for utility companies)?
- Who will administer the research (e.g., a contracted vendor, an internal state agency that conducts similar types of surveys/evaluation)?
- How will you use the information that you collect?
- As applicable, how will you ensure that information obtained from subjects is recorded in such a manner that the subjects cannot be readily identified?

There must be sufficient information to determine how the research will be conducted.]

I believe the exemption is warranted because:

[Example 1: The investigator will not record the names of survey participants, and the information that will be collected could not reasonably place the participants at risk of criminal or civil liability, or be damaging to their financial standing, employability, or reputation. Moreover, there will be no participants under the age of 18. Exemption Available: 15 C.F.R. § 27.104(d)(2).

Example 2: The research relies on sources that are publicly available and can be found at [list locations where the data is publicly available]. Exemption Available: 15 C.F.R. § 27.104(d)(4).

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Example 3: The research relies on existing data, documents, and records that are not publicly available. However, the investigator will record the information in such a manner that subjects cannot be identified directly or through identifiers linked to the subject. Exemption Available: 15 C.F.R. § 27.104(d)(4).

Recipient should clearly specify that procedures you will employ to ensure that certain populations (e.g., prisoners) will be excluded from your research.]

[Please note that if your research cannot qualify for an exemption or includes certain populations you will need to subject your research protocol to Institutional Review Board (IRB) review and approval as described in 15 C.F.R. § 27.109 and 45 C.F.R. § 46.109.]

[In addition, you should include as attachments any items (including your evaluation plan, evaluation contracts, evaluator strategies, evaluator qualifications, sample questions to be used in surveys or focus groups, etc.) that will support your request for an exemption.]

I request an exemption based on the research information submitted at this time. I recognize that we cannot proceed with any research activities that involve human subjects until this exemption is approved. If our planned activities under the grant change, then we will advise our assigned Federal Program Officer (FPO) and seek approval from the Department of Commerce before conducting any work involving human subjects research being undertaken or any charges for activities involving human subjects being incurred and/or charged to the project. If applicable, we will also submit appropriate documentation to allow NTIA to certify that the research and evaluation activities we will undertake are either: (1) exempt from Human Subjects Research Protections under one of the exemptions listed in 15 C.F.R. § 27.104(d); or (2) approved by an outside Institutional Review Board in accordance with 15 C.F.R. § 27.109.

**[Signed by Authorized Organization Representative, including their title]**