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# INTERNET FOR ALL

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## **Broadband Equity, Access, and Deployment Program**

Initial Proposal Funding Request Guidance



U.S. Department of Commerce  
National Telecommunications and Information Administration

## Initial Proposal Funding Request Overview

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*The below guidance is for informational purposes only and is intended solely to assist Eligible Entities in better understanding the NTIA BEAD program, the requirements set forth in the Notice of Funding Opportunity (NOFO) for this program, and relevant follow-on guidance. The guidance does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, or the specific application requirements set forth in the NOFO. In all cases, statutory and regulatory mandates, and the requirements set forth in the NOFO, shall prevail over any inconsistencies contained in the below guidance.*

### Introduction

The **Initial Proposal Funding Request** includes requirements to request funding allocations. Although the Broadband Equity, Access, and Deployment (BEAD) Notice of Funding Opportunity (NOFO) does not require an Eligible Entity to submit an Initial Proposal Funding Request with its Initial Proposal, it is highly recommended that Eligible Entities request funding to accelerate their access to, and use of, funds.

- Eligible Entities may request 20 percent of their total funding allocation (or a higher percentage, which may be approved at the sole discretion of the Assistant Secretary), for uses as described in the BEAD NOFO, Section V.H. NTIA encourages Eligible Entities to request their full allocation at this time, so long as the Eligible Entity properly justifies the request in its submission, as discussed in the next paragraph.

The Eligible Entity will include a justification for funds requested in the IPFR submission via the Project Narrative and Consolidated Budget Form, as well as in Requirement 17 of Volume II of the Initial Proposal. If the Eligible Entity is requesting more than 20 percent of grant funds, the Eligible Entity must also provide a rationale to demonstrate a specific need for those additional funds (e.g., anti-deficiency clause). If applicable, the Eligible Entity must indicate funds that it proposes to expend on eligible uses upon Initial Proposal and IPFR approval and those that it would propose to use contingent upon Final Proposal approval. Additional information on funding scenarios is in the guidance for Requirement 17: Use of 20 Percent of Funding<sup>1</sup>.

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<sup>1</sup> See BEAD NOFO, Section IV.5.b.17—Describe the intended use of the 20 percent of total funding allocation that is made available upon approval of the Initial Proposal consistent with Section IV.B.8 of this NOFO.

## Key Submission Dates and Electronic Submission Requirement

Eligible Entities must submit the Initial Proposal Funding Request via the [NTIA Grants Portal](https://grants.ntia.gov), which can be accessed at <https://grants.ntia.gov>, no later than 180 days after issuance of their Notice of Available Amounts (the deadline is December 27, 2023). Upon completion of the application and submission to the NTIA Grants Portal, the NTIA Grants Portal will send an email to the Authorized Organization Representative with a date- and time-stamped confirmation of submission. NTIA will not accept Initial Proposal Funding Requests via email, fax, or postal mail.



### **IMPORTANT**

Refer to the [Initial Proposal Submission Guidance](#) for instructions on using the NTIA Grants Portal to submit and, if necessary, make deficiency corrections.

The Initial Proposal Funding Request includes two documents:

- Project Plan/Narrative; and
- Consolidated Budget Form.

To ensure an expeditious review of Initial Proposal Funding Request, these documents must be uploaded in the same file type as the provided template, or as indicated in the guidance below (i.e., the Project Plan/Narrative must be provided as a Word document; the Consolidated Budget Form must be provided in the Excel-based template). In addition, the formatting of each uploaded document must be consistent with that used in the provided template. Failure to provide files consistent with the templates will result in NTIA being unable to automatically process the Initial Proposal Funding Request and may result in the delayed processing of the Initial Proposal Funding Request.

## Considerations Before You Get Started

The Initial Proposal Funding Request must align to the activities in the Initial Proposal – Volume II (i.e., activities related to requirement 17—the intended use of the 20 percent of total funding allocation that is made available upon approval of the Initial Proposal).

Before submitting the Initial Proposal Funding Request, Eligible Entities should fully read the NOFO and other Technical Assistance materials available on the BEAD Program page on [www.internetforall.gov](http://www.internetforall.gov), as well as applicable OMB circulars governing administrative requirements, cost principles, and audits.



### **IMPORTANT**

The Project Plan/Narrative must align to the activities in the Initial Proposal – Volume II (i.e., activities related to requirement 17—the intended use of the 20 percent of total funding allocation that is made available upon approval of the Initial Proposal).

All BEAD Eligible Entities are required to comply with all applicable provisions set forth in the following:

- **Infrastructure Investment and Jobs Act of 2021, Division F, Title I, Section 60102, Public Law 117-58, 135 Stat. 429 (November 15, 2021):** Through Public Law 117-58, the 117<sup>th</sup> United States Congress authorized and outlined requirements for the BEAD Program.

- **BEAD Notice of Funding Opportunity:** NTIA issued the BEAD NOFO on May 13, 2022, describing the requirements of the BEAD Program.
- **Uniform Administrative Requirements, Cost Principles and Audit Requirements:** Through 2 C.F.R. § 1327.101, the Department of Commerce adopted Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. Part 200, which apply to awards in this Program. Refer to <http://go.usa.gov/SBYh> and <http://go.usa.gov/SBg4>.
- **Department of Commerce Financial Assistance Standard Terms and Conditions:** The Department of Commerce will apply the Financial Assistance Standard Terms and Conditions in effect on the date of award to each award in this Program. The current version, dated November 12, 2020, is accessible at [Department of Commerce Financial Assistance Standard Terms and Conditions](#).
- The **Award Document (Form CD-450)/Amendment Document (Form CD-451)** and **Administrative Letters** signed by the Grants Officer, which describes the requirements, including those listed above and other specific award conditions, incorporated into the award.

## Initial Proposal Funding Request Requirements

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The following sub-sections describe the requirements associated with the two documents that encompass the Initial Proposal Funding Request.

### *Project Plan/Narrative*

Eligible Entities are required to submit a project narrative that includes an overview of how they intend to use awarded funds. The project narrative should be aligned to the activities in the Initial Proposal – Volume II (i.e., activities related to requirement 17—the intended use of the 20 percent of total funding allocation that is made available upon approval of the Initial Proposal). The Eligible Entity must upload the completed file to the NTIA Grants Portal. The upload must be provided as a Microsoft Word file, and not converted to a PDF prior to upload.

The project narrative should clearly articulate the intended use of funds; specifically:

- Funds to be used, directly or indirectly, for the administration of the grant (and thus subject to the statutory two percent cap—see BEAD FAQs 7.11);<sup>2</sup>
- Funds to be used for administrative purposes, other than the administration of the grant;
- Funds to be used to implement the Challenge Process and/or Subgrantee Selection Process (which are programmatic costs and key components of the overall program—See BEAD FAQs 7.12-7.13);
- Eligible uses of funding in connection with **last-mile broadband deployment projects**, subject to the limitations related to unserved locations and high poverty areas for deployment prior to approval of the Final Proposal as outlined in the NOFO, Section IV.B.8 (See Appendix 2: Eligible Grant Funds for the Initial Proposal); and/or
- Eligible **non-deployment uses**, subject to the requirement of demonstrating sufficient funding to serve all unserved and underserved areas as outlined in the NOFO, Section IV.B.8, Funds to be used upon NTIA approval of the Final Proposal.

For each of the uses of funds, the project narrative should include:

- A **clear and compelling description of the use of funds** (e.g., salaries for grant administration personnel to carry out the BEAD Program; contract with specified contractor to conduct the Challenge Process; limited last-mile broadband deployment projects and non-deployment uses as defined in the BEAD NOFO, Section IV.B.8);
- The **intended outcomes and their relationship to the BEAD Program** (e.g., carry out the administration of the BEAD Program; conduct a successful Challenge Process; provide qualifying broadband service to unserved and underserved; establish and implement a digital literacy program);
- An **approximate timeline for completion** (e.g., over the course of the period of performance; within four months following obligation of awarded funds; following completion of the Challenge Process and the Subgrantee Selection Process); and

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<sup>2</sup> **Important note:** The two percent calculation is based on the BEAD grant amount received by the Eligible Entity, exclusive of any match.

- The **parties responsible for implementation** (e.g., Government staff; contractor time not already covered by Initial Planning Funds; subrecipient (i.e., subgrantee) to be determined during the Subgrantee Selection Process).

Eligible Entities are limited to 10 pages, inclusive of graphics, tables, etc., for their Project Plan/Narrative.

## Consolidated Budget Form

Eligible Entities are required to submit a Consolidated Budget Form that must provide general budget information and detailed project costs. The Eligible Entity **must** download the Microsoft Excel file template (available at the [BroadbandUSA BEAD website](#)), fill in all required information, and upload the completed file to the NTIA Grants Portal. The upload must be provided as an Excel file, and not converted to a PDF prior to upload. Submissions that are not in the provided template will not be accepted.

The Consolidated Budget Form includes 10 Tabs associated with 10 cost categories, in addition to an Instructions and Summary Tab. Eligible Entities should complete each Tab that they have applicable costs in their budget. **Please read the Instructions on each Tab before beginning. Please also review the example rows (text in red) for additional context of the information that should be provided for each line item.**

For Tabs a through i, the Eligible Entity should ensure:

- The costs table is complete.
- The costs identified are aligned to the activities identified in the Project Plan/Narrative.
- The costs identified are allowable and in accordance with the funding restrictions listed in the NOFO and the cost principles identified in 2 C.F.R. Part 200.
- The costs identified are allocable (i.e., the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received) (see 2 C.F.R. 200.405) and reasonable (i.e., in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost) (see 2 C.F.R. 200.404).
- The costs identified are in the correct cost categories (e.g., Personnel, Travel, Equipment, etc.).
- The justification for each of the costs identified clearly articulates if costs are expected to be used for:
  - Funds to be used, directly or indirectly, for the administration of the grant (and thus subject to the statutory two percent cap—see BEAD FAQs 7.11);
  - Funds to be used for administrative purposes, other than the administration of the grant;
  - Funds to be used to implement the Challenge Process and/or Subgrantee Selection Process) (which are programmatic costs and key components of the overall program—See BEAD FAQs 7.12-7.13);
  - Last-mile broadband deployment projects; or
  - Non-deployment uses.
- It is the Eligible Entity’s responsibility to determine whether a cost is an expense “relating (directly or indirectly) to administration of the grant” under Section 60102(d)(2) of the Infrastructure Act, and thus subject to the statutory two percent cap on those costs. The Eligible Entity must account for these costs appropriately, document them sufficiently, and make such documentation available to NTIA and NIST if requested.

Please note that throughout the document, blue colored cells contain instructions, headers, or summary calculations which should not be modified. Eligible Entities should only populate blank, white cells. Eligible Entities may insert additional lines to Tabs ‘a’ through ‘i’ for costs, as applicable; however, formulas/calculations may need to be adjusted by the preparer. Do not add rows to the Instructions and Summary tab or Tab ‘j’.

The totals of ALL cost categories are rounded to the nearest dollar.

The sub-sections below provide supplementary guidance on completing each of the Tabs in the Consolidated Budget Form.

## Tab Instructions and Summary

When filling out the Instructions and Summary Tab, please consider the following:

- Complete Tabs ‘a’ through ‘i’ before completing the Instructions and Summary Tab.
- Enter the project costs identified for each category line item, within each Tab, to auto-populate the Instructions and Summary Tab.
- Please note that the blue colored cells on the Instructions and Summary Tab contain instructions, headers, or summary calculations which should not be modified. Eligible Entities should only populate blank white cells. **Do not add rows to the Instructions and Summary Tab.**
- Identify if any expenses are related to the administration of the grant in Column C.
- Identify the dollar amount that is related to the administration of the grant (direct costs) for each category cost in Column D. As a reminder, in Tabs ‘a’ through ‘i,’ the Eligible Entity should clearly articulate if costs are expected to be used for the administration of the grant. For additional information on expenses relating to the administration of the grant, please see FAQs 7.9-7.16.
- If the Eligible Entity intends to request indirect costs, it is the Eligible Entity’s responsibility to identify what percentage of those costs are related to the administration of the grant and are thus count toward the statutory two percent cap. The Eligible entity should identify the dollar amount that is related to the administration of the grant (indirect costs) for each cost category in Column E. Note: The costs identified in Column E are not treated as separate costs (i.e., added or subtracted from the cost category totals), but provide additional information to ensure that the Eligible Entity remains within the statutory two percent cap.<sup>3</sup>
- As a reminder, ALL indirect costs and ALL cost categories are rounded to the nearest dollar.

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<sup>3</sup> For example, if the Eligible Entity does not have a Federally approved indirect costs rate and elects to charge a de minimis rate of 10 percent of modified total direct costs (MTDC), the Eligible Entity should calculate 10 percent of MTDC for the funds for the administration of the grant from each cost category. So if \$450,000 of Personnel Salary costs are for the administration of the grant, the Eligible Entity would insert “Yes” in cell C13, “\$450,000” in cell D14, and “\$45,000” in cell E14. If the Eligible Entity does have a Federally approved Negotiated Indirect Cost Rate Agreement (NICRA), the Eligible Entity should apply it to determine which cost categories apply indirect costs and at what rate.



### Tab a. Personnel

When filling out the Personnel Tab, please consider the following:

- Only personnel costs for employees of the Eligible Entity should be included in the Personnel Tab. All personnel costs for subrecipients and contractors must be included under the Contractual/Subawards Tab.
- All personnel are identified by position title and not employee name. If a position and hours is attributed to multiple employees (e.g., two technicians working two months) the number of employees for that position must be identified in parentheses after the position title (e.g., Technician (2)).
- Personnel time charged to the award must be for the BEAD Program only. Personnel cannot exceed 100% of their time on all active projects (including other Federal awards or work unrelated to the BEAD Program). Accordingly, if the personnel's time is already covered under the BEAD Initial Planning funds, they should not be duplicated in the Initial Proposal Funding Request.
- Fringe benefits are allowances and services provided to employees as compensation in addition to regular salaries and wages. If a position will not receive fringe benefits, please note this, and why they are not receiving fringe benefits, in the Justification of Need column (Column J). The rates and how they are applied should not be averaged to get one fringe cost percentage. Complex calculations should be described/provided in the Additional Explanation section below.

### Tab b. Travel

When filling out the Travel Tab, please consider the following:

- Only travel costs for employees of the Eligible Entity should be included in the Travel Tab. All travel costs for subrecipients and contractors must be included under the Contractual/Subawards Tab.
- Travel costs must be directly associated with this award and are necessary for performance of the project.
- Travel costs should remain consistent with travel costs incurred by an organization during normal business operations and be aligned to the organization's written travel policy. In absence of a written travel policy, organizations must follow the regulations prescribed by the General Services Administration (GSA).
- Columns B-J are per trip. Please note that the number of days is inclusive of day of departure and day of return.

### Tab c. Equipment

When filling out the Equipment Tab, please consider the following:

- Only equipment, as defined by 2 C.F.R. 200.313, should be included in the Equipment Tab. Equipment means a single item of tangible, personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. Supplies, as defined by 2 C.F.R. 200.453 (also see sub-section below), should go in the Supplies Tab. Equipment costs that

are leased must be listed under the Other Tab.

### Tab d. Supplies

When filling out the Supplies Tab, please consider the following:

- Only supplies, as defined by 2 C.F.R. 200.453, should be included in the Supplies Tab. Supplies means all tangible personal property other than those described in 200.313 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of either the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.
- Supplies must be directly associated with this award and are necessary for performance of the project. Note that Supply items must be direct costs to the project at this budget category, and not duplicative of supply costs included in the indirect pool that is the basis of the indirect rate applied for this project. If supply items and costs are ambiguous in nature, contact your DOC contacts (i.e., Federal Program Officer (FPO), Grants Specialist) for proper categorization before filling out this section.

### Tab e. Contractual/Subawards

When filling out the Contractual/Subawards Tab, please consider the following:

- All costs for subrecipients and contractors should be included in the Contractual/Subawards Table. The Contractual/Subawards Tab includes two tables: one for costs related to subrecipients (i.e., top table) and one for costs related to contractors (bottom table).
- Eligible Entities are responsible for making case-by-case determinations whether agreements it enters for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. Please refer to 2 CFR 200.331 Subrecipient and contractor determinations for more information on making a determination on subrecipient vs contractor.
  - A **subrecipients (i.e., subgrantee)** is a legal entity to which a subaward is made, whose performance is measured against whether the objectives of the Federal program are met, is responsible for programmatic decision making, must adhere to applicable Federal program compliance requirements, and uses the Federal funds to carry out a program (i.e., of the pass-through entity/State/Territory). All characteristics may not be present, and judgment must be used to determine subrecipient vs. contractor status.
  - A **contractor** is a legal entity contracted to provide goods and services within normal business operations, provides similar goods or services to many different purchasers, operates in a competitive environment, provides goods or services that are ancillary to the operation of the Federal program, and is not subject to compliance requirements of the Federal program. All characteristics may not be present, and judgment must be used to determine subrecipient vs. contractor status. List all contractors supplying commercial supplies or services used to support the project.
- At the time of the submission of the Initial Proposal Funding Request, Eligible Entities will

not have conducted their Subgrantee Selection Process. As such, much of the subrecipient table on the Contractual/Subawards Tab will be preliminary. Please see below for additional details and example text for each column of the Subrecipient Table:

- **Subrecipient Name/Organization:** Eligible Entities may specify that the subrecipient is to be determined.
- **Justification of Need:**
  - At the time of the submission, Eligible Entities will not have identified last-mile broadband deployment projects to be conducted by future subrecipients.
    - Eligible Entities must specify the amount that they intend to subaward for last-mile broadband deployment projects as a part of the Initial Proposal Funding Request and provide sufficient information to justify the requested amount.<sup>4</sup>
    - Eligible Entities must include as much information as they reasonably have available to them at the time of submission as part of this justification. An Eligible Entities may satisfy this requirement by cross-referencing relevant information submitted in Volume I and/or Volume II of its Initial Proposal.
    - The following language may be used as a starting off point for the Eligible Entity's justification in this regard, but must be supplemented with information specific to the Eligible Entity's proposal:
      - A subrecipient(s) to be determined will carry out eligible last-mile broadband deployment projects identified in the BEAD NOFO, Section IV.B.8. These projects will fully fund projects that consist of at least 80 percent unserved locations and are in a location in which the percentage of individuals with a household income at or below 150 percent of the poverty line, applicable to a family of the size involved, that is higher than the national percentage of such individuals. The subrecipient(s) will carry out these activities following the completion of the Challenge Process and Subgrantee Selection process, outlined in the Initial Proposal.
  - At the time of the submission, Eligible Entities may or may not have identified non-deployment projects to be conducted by future subrecipients.
    - If they have, they should use this space to provide evidence that the costs are directly associated with this award and are necessary for performance of the project. They should also provide an expected timeline (e.g., within the first year following the completion of the Challenge Process and the Subgrantee Selection Process).

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<sup>4</sup> A subrecipient may carry out very limited last-mile deployment activities following the approval of both the Challenge Process and Subgrantee Selection process outlined in the Initial Proposal, as discussed in Section IV.B.8 of the BEAD NOFO. Any last-mile broadband deployment projects must fully fund projects that (1) consist of at least 80 percent unserved locations and (2) are in a location in which the percentage of individuals with a household income at or below 150 percent of the poverty line applicable to a family of the size involved that is higher than the national percentage of such individuals.

- If they have not, they may specify the amount that they intend to subaward as a part of the Initial Proposal Funding Request and must provide sufficient information to justify the requested amount.
- Eligible Entities must include as much information as they reasonably have available to them at the time of submission as part of this justification. An Eligible Entities may satisfy this requirement by cross-referencing relevant information submitted in Volume I and/or Volume II of its Initial Proposal.
- The following language may be used as a starting off point for the Eligible Entity's justification in this regard, but must be supplemented with information specific to the Eligible Entity's proposal.
  - A subrecipient(s) to be determined will carry out non-deployment uses identified in the BEAD NOFO, Section IV.B.8. The Eligible Entity expects that it will be able to meet the underserved and underserved location broadband deployment commitments, which is outlined in the Initial Proposal. The subrecipient(s) will carry out these activities following the completion of the Challenge Process and Subgrantee Selection process, outlined in the Initial Proposal.
- **Basis of Cost and Breakdown:**
  - At the time of the submission, Eligible Entities will not have identified last-mile broadband deployment to be conducted by future subrecipients.
    - Eligible Entities must provide a basis of cost and breakdown for these costs, which should be related to the amount of their allocation to be requested as a part of the Initial Proposal Funding Request minus costs expected to be used for the administration of the grant, programmatic activities necessary for the grant (i.e., funds to implement the Challenge Process and/or Subgrantee Selection Process), or non-deployment uses (if applicable).
    - Eligible Entities must include as much information as they reasonably have available to them at the time of submission as part of this explanation. An Eligible Entities may cross-referencing relevant information submitted in Volume I and/or Volume II of its Initial Proposal.
    - The following language may be used as a starting off point for the Eligible Entity's justification in this regard, but must be supplemented with information specific to the Eligible Entity's proposal:
      - Based on the BEAD NOFO, Section IV.B.8, the State Broadband Office requests that the Assistant Secretary make available 20 percent of the grant funds that have been allocated to the Eligible Entity. While the breakdown of costs will be determined based on the subgrant proposals, the total costs requested at this time are based on [#]% of the total allocation (i.e., \$[Initial Planning Fund Request], which is [#]% of the total allocation of \$[total allocation]) minus the

funds included in this Consolidated BEAD Budget Form for costs expected to be used for the administration of the grant or programmatic activities necessary for the grant (i.e., funds to implement the Challenge Process and/or Subgrantee Selection Process). The State Broadband Office understands that relevant Specific Award Conditions (SACs) will be placed on these funds until conditions (e.g., completion of Subgrantee Selection Process) are lifted. The cost share/matching is expected to be at least 25% of the total subrecipient costs. The total, type, and source will be determined during the Subgrantee Selection Process but will be in line with the expectations identified in the BEAD NOFO.

- At the time of the submission, Eligible Entities may or may not have identified non-deployment projects to be conducted by future subrecipients.
  - If they have, they should use this space to provide the basis of cost (e.g., planning study estimates, etc.) and a breakdown of those costs, if available.
  - If they have not, Eligible Entities must provide a basis of cost and breakdown for these costs, including how they have determined the amount for which they have delineated between last-miles deployment projects and non-deployment uses. Eligible Entities that do not project that they will have funds available for non-deployment projects must include a statement to this effect.
  - Eligible Entities must include as much information as they reasonably have available to them at the time of submission as part of this explanation. An Eligible Entities may cross-referencing relevant information submitted in Volume I and/or Volume II of its Initial Proposal.
  - The following language may be used as a starting off point for the Eligible Entity's explanation in this regard, but must be supplemented with information specific to the Eligible Entity's proposal:
    - Based on a planning study completed as part of the Initial Planning Funds, and as outlined in the Initial Proposal, the cost of deploying broadband to all unserved and underserved is expected to leave \$[cost estimate] for non-deployment uses. The basis of cost and breakdown will be further informed by the subrecipient proposals, which will be evaluated during the Subgrantee Selection Process.
    - **Subrecipient Costs:** Eligible Entities should include the subrecipient costs they intend to request as part of the Initial Proposal Funding Request (this should not include subrecipient cost sharing/matching).
    - **Subrecipient Cost Share/Matching:** Except in certain specific circumstances described in the NOFO (e.g., projects in designated "high-cost areas" and other cases in which NTIA has waived the matching requirement), in the context of subgrants used to fund broadband network infrastructure deployment, each Eligible Entity shall provide, require its subrecipient to provide, or provide in concert with its

subrecipient, matching funds of not less than 25 percent of project costs (see BEAD NOFO, Section II.3.B). At the time of submission, Eligible Entities will not have conducted the Subgrantee Selection Process and therefore cost share-matching will be unknown. Accordingly, Eligible Entities should include 25 percent cost share as the default at the point of the Initial Proposal Funding Request.

- **Is Cost Share/Matching being provided?:** Eligible Entities should indicate that cost share/matching will be provided (i.e., Yes).
  - **Value (\$):** Eligible Entities should provide the estimated value (i.e., 25 percent of the Subrecipient Costs identified in Column D).
  - **Type (Cash or In Kind):** Eligible Entities may indicate that the type is to be determined (i.e., TBD).
  - **Source:** Eligible Entities may indicate that the source is to be determined (i.e., TBD).
  - **If Federal source, which Program?:** Eligible Entities may indicate that the Federal source is to be determined (i.e., TBD).<sup>5</sup>
- For situational awareness, a subrecipient who elects to employ the 10 percent de minimis Indirect Cost rate cannot claim the resulting indirect costs as a Cost Share contribution. An entity that has received a negotiated indirect cost rate must use that rate, and may not elect the de minimis rate.

### Tab f. Construction

When filling out the Construction Tab, please consider the following:

- Only constructions costs completed by the Eligible Entity should be included in the Construction Tab. Any construction work that is performed by a contractor or subrecipient must be included under the Contractual/Subawards Tab.
- **Important reminder:** An Eligible Entity may not undertake broadband deployment construction activities directly. Instead, it must engage in a competitive subgrant process for these activities, so any such activities must be classified under the Contractual/Subawards Tab. As such, NTIA and NIST expect that Eligible Entities generally will not propose deployment-related construction activities in their IPFRs and any such activities proposed will be thoroughly scrutinized.
- Construction costs must be directly associated with this award and are necessary for performance of the project.
- Please note that at the time of submission, Eligible Entities are not expected to be completing any construction projects. If you have any questions, contact your DOC contacts (i.e., FPO, Grants Specialist).

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<sup>5</sup> The Infrastructure Act expressly provides that matching funds for the BEAD Program may come from a federal regional commission or authority and from funds that were provided to an Eligible Entity or a subgrantee for the purpose of deploying broadband service under the Families First Coronavirus Response Act (Public Law 116-127; 134 Stat. 178); the CARES Act (Public Law 116-136; 134 Stat. 281), the Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182); or the American Rescue Plan Act of 2021 (Public Law 117-2; 135 Stat. 4), to the extent permitted by those laws.



### Tab g. Other

When filling out the Other Tab, please consider the following:

- Direct cost items required for the project which do not fit clearly into other categories should be included in the Other Tab. These costs should not be duplicated in indirect costs (e.g., tuition costs, printing costs, equipment lease costs, etc.).

### Tab h. Indirect

When filling out the Indirect Tab, please consider the following:

- Indirect (facilities & administrative (F&A)) costs are those costs incurred for a common or joint purpose benefitting more than one cost objective, and are not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
- Indirect costs may be charged to the award if:
  - The applicant has a Federally approved indirect cost rate from a cognizant agency; or
  - The applicant has never received a negotiated indirect cost rate and elects to charge a de minimis rate of 10 percent of modified total direct costs (MTDC) which can be used indefinitely. MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000.
  - Please note that contracts can be included (not excluded) as part of the MTDC calculation and they are not subject to the limit of the first \$25,000 that subawards are.
- The indirect rate should be applied to both the Federal Share and Recipient Cost Share.
- If an Eligible Entity elects to employ the 10% de minimis Indirect Cost rate, it cannot claim resulting costs as a Cost Share contribution, nor can the Recipient claim "unrecovered indirect costs" as a Cost Share contribution. Neither of these costs can be reflected as actual indirect cost rates realized by the organization and, therefore, are not verifiable in the Recipient records as required by Federal Regulation (§200.306(b)(1)).
- The rates and how they are applied should not be averaged to get one indirect cost percentage. Complex calculations or rates that do not correspond to the below categories should be described/provided in the Additional Explanation section below. If questions exist, contact your DOC contacts (i.e., FPO, Grants Specialist) before filling out this section. Indirect costs that are related to the administration of the Eligible Entity's grant count toward the statutory two percent cap. By their nature, indirect costs are those recipient costs that are not directly associated with the recipient's execution of its grant-funded project, but that are necessary to the operation of the organization and the performance of its programs. A grantee should describe the types of indirect costs that it will charge to the grant. A grantee can never double-charge a cost as both a direct and an indirect administrative cost. The budget provided by the Eligible Entity must explain how they will account for direct and indirect personnel costs charged to the grant with the statutory two percent cap (see BEAD FAQ 7.11). **It is the Eligible Entity's responsibility to**

**determine whether their indirect costs include such expenses subject to the cap, and account for them appropriately in the Instructions and Summary Tab. The Eligible Entity must document such accounting, and make it available to NTIA and NIST if requested.**

If indirect costs are included in the proposed budget, the grant recipient must provide a copy of the approved negotiated agreement if this rate was negotiated with a cognizant federal agency by uploading an additional attachment to the Consolidated Budget Form intake question. If the rate was not established by a cognizant federal agency, provide a statement to this effect in the Notes.

Alternatively, consistent with 2 CFR 200.414(f), grant recipients that do not have a current negotiated indirect cost rate may elect to charge indirect costs to an award pursuant to a de minimis rate of 10 percent of modified total direct costs (MDTC), in which case a negotiated indirect cost rate agreement is not required. If the grant recipient intends to do such, provide a statement to this effect in the Notes.

### **Tab i. Cost Sharing-Matching**

When filling out the Cost Sharing-Matching Tab, please consider the following:

- Only cash or cash value of all cost share-matching proposed by the Eligible Entity should be included in the Cost Sharing-Matching Tab. Any cost sharing-matching of subrecipients should be included in the Contractual/Subawards Tab.
- Cost share-matching may be included as cash or in-kind. Please see below additional guidance on the type of cost share-matching:
  - **Cash:** Except as expressly provided for in the Infrastructure Act, funds from other Federal programs (including funds from the Commission’s Universal Service Fund programs) may not be used as matching funds. The Infrastructure Act expressly stipulates that matching funds for the BEAD Program may come from a federal regional commission or authority and from funds that were provided to an Eligible Entity or a subrecipient for the purpose of deploying broadband service under the Families First Coronavirus Response Act (Public Law 116-127; 134 Stat. 178); the CARES Act (Public Law 116-136; 134 Stat. 281), the Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182); or the American Rescue Plan Act of 2021 (Public Law 117-2; 135 Stat. 4), to the extent permitted by those laws.
  - **In Kind:** Contributions, which may include third-party, in-kind contributions, are non-cash donations of property, goods or services, which benefit a federally assisted project and may count toward satisfying the non-federal matching requirement of a project’s total budgeted costs, when such contributions meet certain criteria. NTIA encourages applicants to thoroughly consider potential sources of in-kind contributions that, depending on the particular property or service and the applicable federal cost principles, could include employee or volunteer services, equipment, supplies, indirect costs, computer hardware and software, and use of facilities. In the broadband context, this could include, consistent with federal cost principles, waiver of fees associated with access to rights of way, pole attachments, conduits, easements, or access to other types of infrastructure. All matching must be necessary to the performance of the project. If questions exist, consult your DOC contacts (i.e., FPO, Grants Specialist) before filling out in-kind cost share in this section.



- Fee or profit, including foregone fee or profit, are not allowable as project costs (including cost share) under any resulting award. The project may only incur those costs that are allowable and allocable to the project (including cost share) as determined in accordance with the applicable cost principles prescribed in 2 CFR Part 200.
- An Eligible Entity who elects to employ the 10 percent de minimis Indirect Cost rate cannot claim the resulting indirect costs as a Cost Share contribution. An entity that has received a negotiated indirect cost rate must use that rate, and may not elect the de minimis rate. Remember that the specific expenses relating, directly or indirectly, to the administration of the grant can never exceed the statutory 2 percent cap on these costs.

### **Tab j. Program Income**

When filling out the Program Income Tab, please consider the following:

- Non-Federal entities are encouraged to earn income to defray program costs where appropriate. Program income is 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, except as provided in 2 CFR 200.307(f). 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 and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, or the interest earned on any of them.
- **Do not add rows to the Program Income Tab.**

## Appendices

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### *Appendix 1: Repository of Documents Required for Download*

**Consolidated Budget Form:** Eligible Entities are required to submit a Consolidated Budget Form to provide general budget information and detailed project costs. The Eligible Entity must use the provided Microsoft Excel file template (available to download at the [BroadbandUSA BEAD website](#)), fill in all required information, and upload the file to the NTIA Grants Portal.

## Appendix 2: Eligible Grant Funds for the Initial Proposal

Per the BEAD NOFO, Section IV.B.5.b, in drafting its Initial Proposal, an Eligible Entity should keep in mind that it may allocate grant funds for the following:

1. Deploying and/or upgrading broadband network facilities in connection with an Unserved Service Project or an Underserved Service Project;<sup>6</sup>
2. Deploying and/or upgrading broadband network facilities to provide or improve service to an eligible community anchor institution;<sup>7</sup>
3. Data collection, broadband mapping, and planning to the extent necessary beyond the planning fund allocation to facilitate the goals and deliverables of the BEAD Program;
4. Installing internet and Wi-Fi infrastructure or providing reduced-cost broadband within a multi-family residential building, with priority given to a residential building that has substantial share of unserved households or is in a location in which the percentage of individuals with a household income that is at or below 150 percent of the poverty line<sup>8</sup> applicable to a family of the size involved is higher than the national percentage of such individuals;
5. Broadband adoption, including programs to provide affordable internet-capable devices;
6. Training and workforce development; and
7. Other uses, including other Digital Equity programs not already included above, proposed by Eligible Entities and approved in advance in writing by the Assistant Secretary that support the goals of the Program.<sup>9</sup>

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<sup>6</sup> This can potentially include deployment of Middle Mile Infrastructure where the Middle Mile Infrastructure is in or through any area required to reach interconnection points or otherwise to ensure the technical feasibility and financial sustainability of an Unserved Service Project or an Underserved Service Project.

<sup>7</sup> This can potentially include deployment of Middle Mile Infrastructure where the Middle Mile Infrastructure is in or through any area required to reach interconnection points or otherwise to ensure the technical feasibility and financial sustainability of an Unserved Service Project or an Underserved Service Project.

<sup>8</sup> As determined under Section 673(2) of the Community Services Block Grant Act (42 U.S.C. §9902(2)).

<sup>9</sup> Requests for approval of uses not listed here should be made in writing to the Assistant Secretary and submitted through the appropriate Federal Program Officer. Eligible Entities should make such requests on a timely basis to facilitate resolution prior to the point at which the Eligible Entity seeks to make the expenditure or expenditures at issue.