
INTERNET FOR ALL

Providing Equipment and Devices Frequently Asked Questions

Connecting Minority Communities Pilot Program



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

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Connecting Minority Communities (CMC) Pilot Program

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This resource is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, the specific requirements set forth in program [Notice of Funding Opportunities \(NOFO\)](#), existing [Department of Commerce \(DOC\) Grants and Cooperative Agreements Manual](#) (Grants Manual) requirements, or other Departmental Administrative Orders (DAOs) and federal Circulars. Similarly, this guidance document does not supersede or supplement the National Institute of Standards and Technology Grants Management Division (NIST GMD) policy and procedures related to their work on financial assistance awards. In all cases, statutory and regulatory mandates, and the requirements set forth in the NOFO, shall prevail over any inconsistencies contained in this guidance.

Programmatic

Q: Are there benefits to donating devices versus loaning them and vice versa? Are there different federal reporting requirements for different distribution methods?

A: **Loaning** devices means that the institution will distribute a device(s) to a student or community member with the intent that student or community member returns the device to the institution in an agreed upon timeframe.

Donating devices means that the institution will distribute a device(s) to a student or community member without expecting the device back.

The Connecting Minority Communities (CMC) Pilot Program Federal Program Officers (FPOs) do not recommend one device distribution plan over another. Both donating and loaning devices have merit, and the preferable option for each grant recipient will depend on their project goals and activities. Each institution should decide which method works for them based on their priorities and program activities included in the original grant application. We recommend that grant recipients consider the financial aid impact of providing a device to a registered student and how the distribution might affect the student's loans.

If the device recipient or the distribution method changes from the originally intended scope, institutions must inform their FPO prior to the change by submitting an Award Action Request (AAR).

Grant recipients will be required to maintain an inventory list of supplies and equipment purchased for the grant project. Per [2 CFR § 200.313\(d\)](#), the grant recipient must take steps to prevent loss, damage, or theft of the property.

Q: If the grant recipient distributes devices costing less than \$5,000, are they required to track whether devices were distributed according to income?

A: Yes, [the CMC Notice of Funding Opportunity \(NOFO\) Section I.A](#) states that grant recipients must prioritize low-income students and/or community members for device distribution. Grant recipients should track and ensure that they distribute the devices according to the NOFO requirements. Institutions may develop their own plan for identifying low-income students and community members but should be prepared to provide their plan to the National Telecommunications and Information Administration (NTIA) upon request.

Q: What information does NTIA require to prove the prioritization of students in need?

A: [The NOFO Section I.A](#) requires that grant recipients prioritize distributing subsidized computers and discounted Internet access to low-income community members and/or students, but the NOFO does not require the community member or student to provide a specific type of documentation to prove that they have an unmet need. A self-attestation form developed by the institution and/or the institution's student aid records are acceptable. However, the institution should create internal procedures to determine how and to whom the institution will distribute devices. See the below question for CMC regulations regarding eligibility for the institution's distribution of devices.

The grant recipient should be prepared to provide information regarding their plan to prioritize low-income students and/or community members to NTIA upon request/or community members to NTIA upon request.

Q: How do the CMC reporting requirements differ if community members, not students, are the beneficiaries of the devices?

A: While there are differences in how grant programs will be managed for programs distributing devices to students, community members, or both, CMC recipients report distribution activities in the same way. [The NOFO Section I.A](#) states that CMC grant recipients must prioritize device distribution to low-income students and/or anchor community members that the grant recipient believes do not have access to such equipment but does not require prioritizing one group over the other.

When distributing devices to students, [the NOFO Section I.A](#) mandates that institutions comply with the following prioritization criteria:

1. Students who are eligible to receive federal Pell Grants;
2. Students who receive any other need-based financial aid from the federal government, a state, or the eligible recipient;
3. Students who are qualifying low-income consumers for the purposes of the program carried out under [47 CFR § 54 Subpart E](#), or any successor regulations;
4. Students who are low-income individuals as that term is defined in section 312(g) of the Higher Education Act of 1965 ([20 U.S.C. 1058\(g\)](#)); or
5. Students who have been approved to receive unemployment insurance benefits under any federal or state law since March 1, 2020.

When distributing devices to community members in anchor communities, [the NOFO Section III.C.2](#) mandates that institutions comply with the following prioritization criteria:

1. Anchor communities that are within a 15-mile radius of eligible Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), or Minority Serving Institutions (MSIs) (*for TCUs located on land held in trust by the United States that are also located within a reservation, the boundary of the reservation on which the TCU falls will be substituted for the 15-mile buffer to create an Area of Interest (AOI) for each institution*); and
2. Anchor communities that meet the estimated median annual household income of not more than 250 percent of the poverty line.

Q: What are the requirements for distribution to community members rather than students?

A: CMC does not have any limitations or restrictions on distributing devices to community members rather than students. The only requirement for device distribution, including both donations and loans, is that the grant recipient prioritize those with the greatest unmet financial needs according to the criteria set forth in the [NOFO Section I.A](#). The institution may set their own determination for gauging need among device beneficiaries. The grant recipient should be prepared to provide information regarding their plan to prioritize low-income students and/or community members to NTIA upon request.

Q: Can grant recipients require students who received computers or other devices to remain in good standing and stipulate that they will keep the computers upon graduation?

A: Yes, CMC recipients may use their own discretion to add conditions, requirements, and stipulations to students and/or community members receiving devices.

Q: If a grant recipient requires more time to distribute devices and/or complete their project activities, at what point in the two-year grant may the institution request a No-Cost Extension?

A: CMC recipients are allowed to request a No-Cost Extension during their grant period of performance. A request for a No-Cost Extension must be made at least 90 days before the end of the grant recipient's period of performance end date. The duration of the No-Cost Extension may be up to 12 months in length. CMC recipients should reference the CMC [NOFO Section II.B](#) for program-specific information on No-Cost Extensions.

Q: If a grant recipient changes the distribution practice described in the original Project Narrative from loaning to donating devices, how do they communicate that change to the assigned FPO?

A: A change in distribution practice is considered a change in project scope. If a grant recipient is planning to change the scope of their project, they must submit an Award Action Request (AAR) for a project scope change. CMC recipients should contact the assigned FPO as the first step if a change in scope is required so that the FPO can guide the grant recipient through the AAR process. The grant recipient must submit the AAR and receive approval before initiating the project changes. NTIA will not approve requests for retroactive approval nor will NTIA approve any related expenditures made to support any unapproved changes.

For more information about AARs, please watch the [Post-Award Webinar Series on NIST Award Action Requests \(AARs\)](#).

Q: What does it mean for property acquired to be “held in trust” by the CMC recipient?

A: Real property, equipment, and intangible property that are acquired or improved with a federal award must be held in trust by the non-federal entity as trustee for the beneficiaries of the project or program under which the property was acquired or improved. The items held in trust must be used on behalf of the beneficiaries of the CMC grant award. Department of Commerce (DOC) may require grant recipients to record liens or other appropriate notices to indicate that the grant recipient acquired personal or real property with CMC funds, and that use and disposition conditions apply to the property. See [2 CFR § 200.316](#) for more information.

Q: When distributing devices, does the “recipient” who holds the property in trust refer to the CMC grant recipient or the recipient of the device?

A: When referring to property trust, the recipient is the institution who entered the relationship with the federal government to accept the grant award and signed the award agreement (CD-450). The CMC grant recipient holds the equipment and supplies purchased via CMC funds in trust. The CMC grant recipient, not the individual who benefits from the grant activities, is responsible for maintaining the devices, keeping records of devices and supplies, and returning the devices and supplies to the federal government, as applicable.

Tracking and Inventory

Q: If grant recipients have partners, such as a public library or a non-profit, that will distribute devices to anchor community members, which entity is responsible for tracking the devices?

A: Per the [CMC NOFO Section III.B](#), grant recipients are responsible for monitoring the activities and expenditures of all subrecipients, including the distribution of devices. For more information on managing subrecipients, please see the [CMC Pilot Program Recipient Handbook](#) Section 8.

Q: What are the inventory management and control activities grant recipients should enact regarding broadband supplies (i.e., computers, laptops, access points, and other devices that are less than \$5,000) and equipment (materials costing \$5,000 or more)? Are there federal requirements to ensure that the devices are maintained for four years?

A: Although there are no federal requirements regarding supply inventory management, it is best practice to follow the equipment guidelines found in [2 CFR § 200.313](#). Additionally, CMC grant recipients should follow their internal policies regarding inventory management and control. For equipment management, grant recipients must follow the guidelines in [2 CFR § 200.313\(d\)](#).

To ensure that devices are maintained for the useful life requirement of four years, grant recipients may label the device with an identifier chosen by the institution; require that the device undergo updates on a regular cadence; and/or necessitate the student or community member to sign a contract with the institution.

Per [2 CFR § 200.1](#), **equipment** is defined as 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. See also the definitions of capital assets, computing devices, general purpose equipment, information technology systems, special purpose equipment, and supplies in [2 CFR § 200.1](#). **Supplies** mean all tangible personal property other than those described in the definition of *equipment*. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000, regardless of the length of its useful life.

Q: Does the useful life of four years still apply to supplies and equipment purchased with CMC funds, even though the CMC grant term is two years?

A: The useful lifecycle of four years still applies to supplies and equipment purchased with CMC grant funds. An example of how some grant recipients adhere to this policy is by providing supplies (laptops, hotspots, tablets, etc.) to freshman students with the purpose of the student using it throughout their four-year college tenure.

Supplies

Q: Does NTIA have requirements on how grant recipients should track supplies (i.e., laptops, hot spots)? Do grant recipients need to provide written inventory processes and procedures or any other specifics regarding the tracking of supplies?

A: CMC recipients should follow their institutional policies and procedures for tracking supplies. However, the grant recipient should be prepared to provide information regarding their inventory processes and procedures to NTIA upon request.

All personal property procured with CMC funds should be inspected upon delivery to the institution. If the personal property asset is technical in nature, a qualified person with the necessary expertise must inspect the personal property. For example, Information Technology (IT) personnel must inspect laptops and IT equipment. Institutions should create an identification tag or tracking system that they attach to each device.

If the unused residual inventory of supplies exceeds \$5,000 in total aggregate value upon termination or completion of the CMC Pilot Program and the supplies are not needed for any other federal award, the non-federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the federal government for its share. Please see [2 CFR § 200.314](#) for more information.

Q: If grant recipients donate devices, are there required supply maintenance procedures they must adhere to?

A: NTIA does not have required maintenance procedures in place for supplies, including computer devices. It is expected that grant recipients will follow their institution's policies and procedures for supply management to maintain devices purchased with CMC grant funds.

Q: Does residual inventory include items that were loaned out and returned?

A: Residual inventory includes all items that are "left over" after the grant period of performance ends. Unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the award that are not needed for any other federal award should be retained by the grant recipient for future use or be sold. In either case, the grant recipient must compensate the federal government for its share. Grant recipients can calculate the amount in the same manner as calculating equipment. See [2 CFR § 200.313\(e\)\(2\)](#) for the calculation methodology.

Equipment

Q: Can grant recipients affix a simple label to each piece of equipment (i.e., "#01") and record that number to a spreadsheet, to track purchased equipment?

A: Grant recipients may attach smaller labels to devices in lieu of a barcode label if a barcode is impractical. Furthermore, [2 CFR § 200.313\(d\)](#) states how to manage equipment tracking.

Q: What are the management requirements for equipment?

A: Per [2 CFR § 200.313\(d\)](#), there are several requirements to managing equipment inventory, such as maintaining records of the item(s), completing a physical inventory at least once every two years, creating a control system to prevent loss, damage, or theft, keeping the property in good condition, and following proper sales procedures if the grant recipient is required to sell the item(s) following the grant period.

Q: Does NTIA have device and/or equipment tracking templates that grant recipients should utilize?

A: NTIA does not provide inventory tracking forms and recommends that each grant recipient follow their institution's established inventory and tracking processes. For a description of what NTIA requires for equipment management, please see [2 CFR § 200.313\(d\)](#).

Other

Q: Are institutions required to return all equipment and devices to the government? Is this required only for items that do not fall under the four-year use requirement?

A: Items of equipment with a current per unit fair market value of less than \$5,000 may be kept, sold, or otherwise disposed of by the grant recipient with no further responsibility to the federal government.

For equipment with a per unit value of \$5,000 or more, the grant recipient must first reach out to the NTIA for disposition instructions. If the government does not provide instructions within 120 days of the request, the grant recipient may retain the item(s). The federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the federal awarding agency may permit the non-federal entity to deduct and retain from the federal share \$500 or 10 percent of the proceeds, whichever is less, for its selling and handling expenses.

For more information, please see [2 CFR § 200.313\(e\)](#).

Q: How do grant recipients determine the fair market value of equipment?

A: Fair market value is the amount at which an asset could be bought or sold. Grant recipients can determine the fair market value of an item (including equipment and supplies) through finding quoted market prices in active markets. It is the grant recipient's responsibility to determine the fair market value based on the information available at that time.

Q: If individual components are less than \$5,000, but assembled into an operable unit greater than or equal to \$5,000, would the operable unit be classified as supplies or equipment?

A: Property costs are generally judged as an operable unit, not as individual pieces, as long as each piece is not intended to be taken apart. Any tangible personal property equal to or more than \$5,000 and having a useful life of more than one year is considered equipment. Tangible property outside of this definition, including computing devices if the per unit cost is less than \$5,000, is considered supplies. Equipment has more stringent oversight than supplies.

Q: Are satellite-based Internet services permissible under the grant?

A: Satellite-based Internet services are allowable costs under the [NOFO Section IV.J.1](#). For any questions about allowable and unallowable costs, please reach out to the assigned FPO.

Q: Is a software license an allowable cost?

A: Yes, software licensing is an allowable cost as long as the purchase aligns with the purposes outlined in the [CMC NOFO Section IV.J.1](#).

Q: When is a device considered stolen?

A: Each institution should follow their policies and procedures in place to determine when a device is considered stolen. The institution should also follow their internal policies and procedures to determine the investigative process.

Q: Is a police report required for stolen devices?

A: Grant recipients should follow their institutional loss prevention policies and procedures as relates to the handling of stolen devices.