

**INTERNET  
FOR ALL**

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# Uniform Guidance Policy Notice for the BEAD Program

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March 2024



# Disclaimer

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*This document is intended solely to assist recipients in better understanding the BEAD program and the requirements set forth in the Notice of Funding Opportunities (NOFO) for this program. This document 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 this document.*



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# Uniform Guidance RFC Overview



On July 5, 2023, NTIA released a Request for Comment (RFC) seeking public input on proposals to apply exceptions and adjustments to the Uniform Guidance (2 CFR 200) in the BEAD program. Based on public input, NTIA released a Policy Notice and corresponding blog on December 26, 2023, addressing the exceptions and adjustments that will apply.

## RFC Process Flow



## Why Would NTIA Apply Exceptions & Adjustments?

- The **scale and scope** of the BEAD program is **different** than typical federal grant programs that operate under 2 CFR 200.
- Stakeholders raised concerns that current rules may **deter participation** from, and **increase costs** to, Internet Service Providers.
- Specifically, NTIA recognizes the **value and importance of broad participation** in subgrantee selection processes.



# What Do You Mean By “Exceptions?”



The Uniform Guidance expressly provides that agencies may adjust or provide exceptions to requirements under certain scenarios.

## § 200.102 Exceptions.

(c) The Federal awarding agency may adjust requirements to a class of Federal awards or non-Federal entities when approved by OMB.... **A Federal awarding agency may apply less restrictive requirements when making fixed amount awards .....**

(d) Federal awarding agencies may request exceptions in support of innovative program designs that apply a risk-based, data-driven framework to alleviate select compliance requirements and hold recipients accountable for good performance. See also § 200.206.

Relying on this authority, the Department of the Treasury issued guidance earlier this year on exceptions and adjusted requirements regarding the application of the Uniform Guidance to broadband infrastructure project subawards in the Capital Projects Fund and Coronavirus State and Local Fiscal Recovery Fund.

<https://home.treasury.gov/system/files/136/SLFRF-and-CPF-Supplementary-Broadband-Guidance.pdf>



# What Type of Record Informed NTIA's Decision?



The comment period on NTIA's RFC closed in August. NTIA received over 60 comments, including:

- 19 state broadband offices
- 12 industry associations
- 8 local government entities and associations
- 9 regional internet service providers
- Various other individuals and entities



The overwhelming majority of commenters supported the general direction of the proposals in the RFC.



# Scope and Applicability



In accordance with the Uniform Guidance Policy Notice, these exceptions and adjustments apply only to BEAD subawards for which the major purpose is a broadband infrastructure project.



**BEAD**  
**Broadband**  
**Infrastructure**  
**Project**  
**Allowed!**

As long as the **major purpose** of the subaward is **broadband infrastructure**



**BEAD NON-**  
**DEPLOYMENT**

Not allowed!



**DIGITAL EQUITY**  
**GRANTS**

Not allowed!

**Notes:** (1) The major purpose of a subaward is a broadband infrastructure project(s) if more than 50% of the estimated total costs under the subaward are necessitated by the broadband infrastructure project(s) activities of the subaward.

(2) Eligible Entities are responsible for initially determining whether the major purpose of a subaward is a broadband infrastructure project, and thus whether the exceptions, adjustments, and clarifications summarized herein apply.

(3) Eligible Entities must identify in their Final Proposals those fixed amount subawards whose major purpose is a broadband infrastructure project, and keep NTIA apprised of any changes to such determinations. NTIA also reminds stakeholders that NTIA retains the authority to review subrecipient agreements and revise determinations regarding the major purpose of a subaward.



# Uniform Guidance Policy Notice | Summary



While the Uniform Guidance Policy Notice included many programmatic changes, several topics required additional decisions before implementation.

Topic	Change
Fixed Amount Subawards	<ul style="list-style-type: none"> <li>Permits Eligible Entities to make fixed amount subgrants where the major purpose of the subaward is a broadband infrastructure project(s). Subrecipients may do so regardless of whether (1) the value of the subaward exceeds the Simplified Acquisition Threshold of 250k and (2) notwithstanding the BEAD program’s statutory match requirement.</li> <li>Implications to budget modifications, match, monitoring, reporting, and drawdowns.</li> </ul>
<b><i>The following exceptions, adjustments and polices apply <u>only</u> to BEAD fixed amount subgrants.</i></b>	
Cost Principles	<ul style="list-style-type: none"> <li>Subrecipients are not required to comply with the cost principles for any fixed amount subaward.</li> </ul>
Procurement Standards	<ul style="list-style-type: none"> <li>Subrecipients are not required to comply with the procurement standards for any fixed amount subaward.</li> </ul>
Property Standards	<ul style="list-style-type: none"> <li>Exceptions, adjustments, and clarifications for fixed amount subgrants, including equipment management, equipment use and disposition, supplies, intangible property.</li> </ul>
<b><i>The following exceptions, adjustments, and policies apply to <u>all</u> BEAD awards.</i></b>	
Program Income	<ul style="list-style-type: none"> <li>Allows subgrantees to retain program income without restriction</li> </ul>
Audit	<ul style="list-style-type: none"> <li>Non-federal entities are required to submit single audits or program-specific audits to the Federal Audit Clearinghouse.</li> <li>Commercial entity subgrantees are not subject to 2 CFR 200.501(f) but are subject to the audit requirements stipulated in the 2 CFR 200.501(h) which establishes the pass-through entity as responsible for subgrantee audit compliance.</li> <li>Notes that NTIA, DOC, or another authorized Federal agency may conduct audits at any time.</li> </ul>
Federal Interest Period	<ul style="list-style-type: none"> <li>Creates Federal Interest Period of 10 years.</li> </ul>





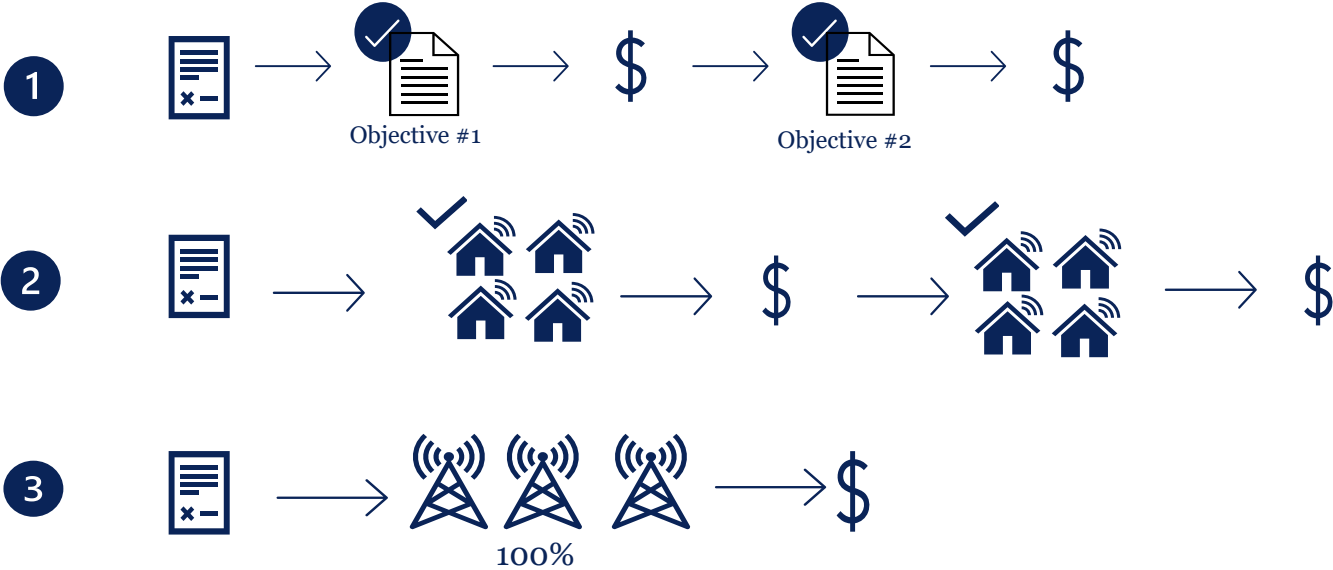
# What is a Fixed Amount Subaward?

A fixed amount subaward is a type of grant agreement based on a **reasonable estimate of actual costs**. Payments are based on **meeting specific requirements** of the subaward.

### Cost Reimbursable

Subgrantees submit receipts to the grantee as **expenses occur**. Typically, the grantee will reimburse the subgrantee on a **regular financial schedule**.

### Fixed Amount Subawards



Payments are often made using one of three methods: 1) reimbursement per **objective met**, 2) reimbursement through **unit built**, and 3) reimbursement once the **total project** is complete.

# Key Takeaways



Eligible Entities (EEs) should note the following three takeaways from today's session:

1

The Policy Notice only applies to BEAD subawards for which the major purpose is a broadband infrastructure project

2

Changes from the Uniform Guidance Policy Notice will impact **many aspects** of the BEAD program

3

Additional materials and training **are coming** for grantees, throughout the spring and summer





**THANK YOU**

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