



Challenge Process Costs

Initial Planning Funds vs. Initial Proposal Funding Requests

*Broadband Equity, Access, and Deployment
(BEAD) Program*

March 2024



This document is intended solely to assist recipients in better understanding the BEAD program and the requirements set forth in the Notice of Funding Opportunity (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.

The following document provides key information on how an Eligible Entity can prepare for or fund execution of its Challenge Process through various methods with BEAD funds.

Funding your BEAD Challenge Process

There may be a **variety of expenses related to the Challenge Process**. Some of these expenses are planning and preparation expenses, while others may be costs associated with executing the Challenge Process. **Depending on the specific expense, costs associated with the BEAD Challenge Process may be funded by the following: 1) Initial Planning Funds or 2) Initial Proposal Funding Request budget.** See below for additional context on the allowability of using these funds to fund the Challenge Process.

NOTE that Eligible Entities cannot start executing their BEAD Challenge Process until their Initial Proposal Volume I has been approved by NTIA.



Utilizing Initial Planning Funds to prepare for your BEAD Challenge Process

WHAT SHOULD AN ELIGIBLE ENTITY DO IF THEY WANT TO USE INITIAL PLANNING FUNDS TO PAY FOR CHALLENGE PROCESS PLANNING OR PREPARATION ACTIVITIES?

The Eligible Entity should:

- 1 Consult their current, approved budget** to see if the activities are already included in the approved budget.
- 2** If the approved budget does not include the proposed activities and the EE needs to make modifications to the budget to accommodate challenge planning activities, the EE will need to **request a budget modification** (*described below*) **to include these activities (and may need written approval from the NTIA Assistant Secretary** if the activities do not fall within allowable activity buckets 1-10 found on page 3). If the EE is unsure whether an activity is included in its current budget, it needs to consult with NTIA and NIST.

How to Request a Budget Modification: *To request a budget modification, the EE must reach out to their assigned FPO and describe the specific use of their funds, along with which eligible expense category it would fall under. The FPO will help determine what documentation will need to be submitted in order to request a budget modification per Specific Award Condition #20.*

The following activities are the full list of allowable uses of Initial Planning Funds. Eligible Entities must ensure that the Challenge Process preparation activities you plan to fund with Initial Planning Funds fall within these boundaries.



All Allowable Uses of Initial Planning Funds (Planning and Pre-Deployment Activities)

WHAT CAN EEs USE THEIR INITIAL PLANNING FUNDS ON? (BEAD NOFO SECTION IV.B.2)*



1. **Research and data** collection



2. Development of a **preliminary budget for pre-planning activities**



3. **Publications, outreach, and communications** support



4. Providing **technical assistance** to potential subgrantees



5. **Training** for employees of the broadband program or office



6. Establishing, **operating**, or increasing **capacity of a broadband office**



7. **Asset mapping**



8. **Conducting surveys** of unserved, underserved, and underrepresented communities



9. Cost associated with **meeting the local coordination requirements** in Section IV.C.1.c of the BEAD NOFO



10. Reasonable post-NOFO, pre-Initial Planning Funds expenses in an amount not to exceed \$100,000 relating to the **preparation of program submissions to NTIA** (such as the Letter of Intent); and



11. **Other uses approved in advance writing by the Assistant Secretary**

* Please note that the list above are all the allowable activities according to the BEAD NOFO for IPF, but they are **not the cost categories that would be in an actual budget**. EEs must use the **SF-424C document for their budget**, and these activities must be put into the appropriate 424C cost categories. EEs may also have to submit updated versions of other document (e.g., narratives) to reflect the proposed uses of funds.

The following document provides key information on how an Eligible Entity can fund its Challenge Process through various methods with BEAD funds.



Utilizing Initial Proposal Funding Request (IPFR) Funds to Fund your BEAD Challenge Process

CAN ELIGIBLE ENTITIES INCUR IP IMPLEMENTATION COSTS, INCLUDING CHALLENGE PROCESS IMPLEMENTATION COSTS, PRIOR TO THE APPROVAL OF THE IPFR?

Before an IPFR is approved, an EE would be incurring these costs at its own risk. Once an EE's IP Volume I Challenge Process has been approved by NTIA and NIST, but before that EE's full IP and IPFR has been approved, the EE may be able to incur costs related to conducting the approved Challenge Process, subject to certain conditions. *Note that EEs should not draw down funding for costs associated with conducting the Challenge Process until the IPFR is approved.*

An EE incurring these costs before IPFR approval does so at its own risk, i.e., it may or may not be reimbursed for such costs.

Once the IPFR is approved, that will constitute the approved budget for Challenge Process implementation costs, among other IP activities.

Any costs incurred before IPFR approval that are not included in (or exceed the amounts in) the final approved IPFR are not allowable BEAD costs. The EE cannot reimburse itself for those costs.

Eligible Entities should consult the BEAD IPFR Guidance for all the allowable uses of IPFR funds. Examples of allowable uses include funds to be used to implement the Challenge Process.

Further Questions?



Reach out to your FPO with any additional comments or questions.