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# INTERNET FOR ALL

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## Frequently Asked Questions and Answers

**Version 4.0**

Digital Equity Competitive Grant  
Program



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

## Note

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The Digital Equity Competitive Grant Program (Competitive Grant Program), authorized by Section 60305 of the Infrastructure Investment and Jobs Act, Public Law 117-58, 135 Stat. 429 (November 15, 2021), also commonly known as the Bipartisan Infrastructure Law, provides federal funding to equip individuals and communities with the skills and tools needed for full participation in society and the economy. The following is the first in a series of FAQ documents intended to provide guidance on information set forth in NTIA's Notice of Funding Opportunity (NOFO) issued on July 24, 2024. Following the release of this document, further questions may be submitted to [digitalequity@ntia.gov](mailto:digitalequity@ntia.gov) to be considered for inclusion in future FAQ documents.

*This document does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, the terms and conditions of the award, or the specific application requirements set forth in the NOFO. In all cases, statutory and regulatory mandates, the terms and conditions of the award, the requirements set forth in the NOFO, and follow-on policies and guidance, shall prevail over any inconsistencies contained in this document.*

*Please note that all new questions are disbursed throughout the document as well in their appropriate sections. All new questions and answers are indicated with an asterisk\*.*

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# 1. General Competitive Grant Program Overview

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## 1.1 What is the Digital Equity Competitive Grant Program?

The Digital Equity Competitive Grant Program (Competitive Grant Program) is the third of three digital equity programs authorized by the Infrastructure Investment and Jobs Act of 2021 and the final component of the Digital Equity Act's framework for addressing digital equity and inclusion. The Competitive Grant Program provides funding to support efforts to achieve digital equity, promote digital inclusion activities, and spur greater adoption and use of broadband among the Covered Populations as defined in the Digital Equity Act. (*NOFO Section I.A*)

## 1.2 What programs are in the Digital Equity Act, and what are the differences across the programs?

The Digital Equity Act established three programs:

1. **The State Digital Equity Planning Grant Program** (Planning Grant Program) is a \$60 million program, which awarded grants to 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and four U.S. Territories (States & Territories), to develop Digital Equity Plans which identify the barriers to digital adoption for each of the eight Covered Populations identified in the statute.
2. **The State Digital Equity Capacity Grant Program** (Capacity Grant Program) is a \$1.44 billion program for States & Territories to implement their Digital Equity Plans and carry out digital inclusion activities. Funding was also made available for Native Entities (Indian Tribes, Alaska Native Entities, and Native Hawaiian organizations) via a competitive process to conduct digital equity planning and carry out digital equity and inclusion activities consistent with the Digital Equity Act.
3. **The Digital Equity Competitive Grant Program** (Competitive Grant Program) is a \$1.25 billion program for grantees to develop and implement digital equity projects. The Competitive Grant Program will provide funding on a competitive basis to Eligible Entities. There are also statutory set-asides for Native Entities and the U.S. Territories.

It's important to be familiar with the [State Digital Equity Plans](#) developed in the Planning Grant Program. The Competitive Grant Program makes available funding for programs and activities that will address the gaps in the implementation of existing State Digital Equity Plans, proposals that will supplement or further advance State Digital Equity Plans, and/or proposals that address barriers to digital equity that the State Digital Equity Plan failed to identify.

*\*It should be noted that some entities that are Eligible Entities for the Competitive Grant Program are eligible to apply for subgrants through the Capacity Grant Program, so it is important to avoid duplication of funds for activities across both programs.*

## 1.3 Who is eligible to apply to the Competitive Grant Program?

The following entities are eligible to apply for Competitive Grant Program so long as the entity is not serving, and has not served, as the administering entity for a State under either the State Digital Equity Planning Grant Program or the State Digital Equity Capacity Grant Program:

- (1) A political subdivision, agency, or instrumentality of a State, including an agency of a State that is responsible for administering or supervising adult education and literacy activities, or for providing public housing, in the State.
- (2) An Indian Tribe, an Alaska Native entity, or a Native Hawaiian organization.
- (3) A foundation, corporation, institution, or association that is –
  - a. A not-for-profit entity; and
  - b. Not a school.
- (4) A community anchor institution.
- (5) A local educational agency.
- (6) An entity that carries out a workforce development program.
- (7) A partnership between any of the entities described in paragraphs (1) through (6).

#### **1.4 Are Native Entities eligible to apply to the Competitive Grant Program?**

Yes, Native Entities are included within the definition of an Eligible Entity under the Digital Equity Act. Native Entities include Indian Tribes, Alaska Native entities, or a Native Hawaiian organizations. (*NOFO Section III.A*)

47 U.S.C. §1724(j)(2) establishes a set-aside of \$37,500,000 exclusively for Native Entities. Accordingly, NTIA has set aside \$37,500,000 for Native Entities and will increase this amount to \$50,000,000 if the fiscal year 2025 funds become available. However, Native Entities are also included within the definition of an Eligible Entity under the Competitive Grant Program. Accordingly, applications from Native Entities will be considered as part of the Competitive Grant Program along with other Eligible Entities. If Native Entities are not funded to at least the amount of the tribal set-aside during the initial award process, lower scoring Native Entity Applications will be considered until either the set-aside has been exhausted, or until there are no further qualifying Native Entity applications. Any remaining funds from the Native Entity set-aside that are not distributed under the NOFO will be made available to Native Entities in future NOFOs. (*NOFO Executive Summary Section K*)

#### **1.5 Are U.S. Territories eligible to apply for the Competitive Grant Program?**

U.S. Territories are eligible to apply for funding under a separate set-aside established exclusively for U.S. Territories. Because U.S. Territories are not considered to be “Eligible Entities” for the Competitive program, their applications will be reviewed separately. U.S. Territories should complete an application as described in Section IV of the NOFO.

Complete applications from U.S. Territories must be received through the NTIA Grants Portal (<https://grants.ntia.gov>) no later than 11:59 p.m. Eastern Time (ET) on October 22, 2024.

#### **1.6 Are partnerships eligible to apply to the Competitive Grant Program?**

Yes, NTIA recognizes that partnerships will be an effective means of serving the Covered Populations and they are encouraged. A partnership may be between any of the eligible entities described in the NOFO Section III.A.

An Eligible Entity may submit only one application for Competitive Grant Program funding, either as an Authorized Representative of a partnership or as an individual applicant. However,

an Eligible Entity may participate as a member of more than one partnership so long as it is not the Authorized Representative for more than one partnership. Only Eligible Entities may be members of a partnership.

### **1.7 Are schools eligible to apply to the Digital Equity Competitive Grant Program?**

Yes, a school is eligible to apply *if it is serving as a community anchor institution (CAI)*. As CAIs are defined to include, “a public school, a public or multi-family housing authority, a library, a medical or healthcare provider, a community college or other institution of higher education, a State or Territory library agency, and any other nonprofit or governmental community support organization” (*NOFO I.B*).

### **1.8 How do partnerships apply to the Competitive Grant Program?**

The Authorized Representative of a partnership must submit a binding Letter of Commitment (“LOC”) from each member of the partnership demonstrating authority to file on behalf of the partners. The LOC must set forth the role or scope of work of the participating partner, a commitment from the partner to serve in that role, identification of any funding the partner will receive from the Authorized Representative (either as a subrecipient or otherwise, as applicable), and a commitment from the Authorized Representative to keep each partner informed of progress on the project or activity. The LOC must be executed by both the partner member and the Authorized Representative.

A Native Entity making an application for Competitive Grant Program funds, whether on its own behalf, as an Authorized Representative of a partnership, or as a participant in a partnership, must submit a Tribal Government Resolution or equivalent formal authorization from the governing body of the Native Entity providing express authority to apply for Competitive Grant Funds or to participate in a partnership making application for grant funds.

To qualify for participation in the Native Entity set aside amount identified by 47 U.S.C. §1724(j)(2), the applicant must be a Native Entity and the intended beneficiaries of the proposed programs (i.e., the recipients of the proposed outputs) must be Covered Populations that are members of a Native Entity. A Native Entity partnership may have non-Native Entity partners so long as the Authorized Representative is a Native Entity, and all intended beneficiaries of the proposed programs are members of a Native Entity. (*NOFO Section III.A*)

### **1.9 Is there a Cost Sharing or Match requirement?**

Yes, there is a minimum 10% match required. As required by the Digital Equity Act, the amount of a Competitive Grant awarded to an Eligible Entity through this program may not exceed 90 percent of the total project cost. The Assistant Secretary may grant a waiver of this matching limitation if an applicant petitions the Assistant Secretary for a waiver and the Assistant Secretary determines that the petition demonstrates financial need.

To maximize the reach of available funding, NTIA will give additional consideration to applications that exceed the minimum matching requirement during the review process as outlined in Section V.D of the NOFO.

Matching funds may be in the form of either cash or in-kind contributions consistent with the requirements outlined in 2 C.F.R. 200.306. In-kind contributions, which include third-party in-kind contributions, are non-cash donations of property, goods, or services, which benefit a federally assisted project, and which may count toward satisfying the non-federal matching

requirement of a project's total budgeted costs when such contributions meet certain criteria. In-kind contributions must be allowable and allocable project expenses.

U.S. Territories are exempt from the cost match requirement. (*NOFO Section III.B*)

*\*It should be noted that the [updated 2 C.F.R. 200 requirements](#) will apply to the Competitive Grant Program.*

### **1.10 How will applications be evaluated during Initial Eligibility and Administrative Review?**

NTIA will conduct an initial review of all submitted applications to ensure they contain the information and documentation required under Section IV.B of the NOFO and that the information was submitted in a timely manner as required by Section IV.F.

The following applicants will be eliminated from review:

- An entity that does not meet the definition of an Eligible Entity or is not a Territory;
- A partnership that fails to submit the required Letters of Commitment from each member of the partnership as described in Section IV.B of the NOFO.
- A Native Entity applicant that does not submit an authorization to support an application from its governing body; or

In addition, NTIA will remove applications from consideration if submitted materials are incomplete or untimely.

In its discretion, NTIA may provide an applicant with an incomplete application one opportunity to cure its application, in which case NTIA will provide the applicant seven (7) calendar days to submit information responsive to the feedback provided by NTIA, unless this time period is extended by NTIA.

(*NOFO Section V.B*)

### **1.11 How will applications be evaluated during Merit Review?**

All applications that reach Merit Review will be reviewed by at least two merit reviewers, which may be Federal personnel or non-Federal personnel, who have demonstrated expertise in the programmatic aspects of digital equity and inclusion. In accordance with the criteria in Section V.C of the NOFO, the Merit Reviewers will review applications for Competitive Grant Program awards to ensure conformity with the Program objectives, eligible activities, and related costs/budget.

The evaluation criteria that will be used by the Merit Reviewers to review and analyze applications for Competitive Grant funds are grouped into four categories as outlined below. Reviewers will evaluate applications according to these evaluation criteria and independently score each application based on a scale of 0-100 points. Based on an average of the reviewers' scores, applications that score 70 or more will be considered "Qualified for Programmatic Review" under the prioritization process outlined below. Applications with a score below 70 will not proceed to Programmatic Review and will not be considered for funding.

**Evaluation Criteria for Merit Review:**

- A. Project Need, Purpose, and Benefits (40 points)
- B. Strength of Applicant’s Organizational Capability (25 points)
- C. Strength of Project Implementation Plan and Budget (25 points)
- D. Project Results and Evaluation (10 points)

(NOFO Section V.C)

**1.12 How will applications be evaluated during Programmatic Review?**

Only applications which pass the Initial Eligibility and Administrative Review, and score at least 70 points during the Merit Review, will be eligible for consideration under Programmatic Review using the prioritization process outlined in Section V.D.1 of the NOFO (NOFO Section V.D) and described below.

NTIA will assess applications that reach Programmatic Review based upon the criteria listed below and will calculate weighted Programmatic Review scores accordingly. Scores will be multiplied by 0.1 for each of the six (6) factors outlined below that the application meets:

1. The Digital Equity Project addresses an aspect of the digital divide without a current solution or supplements an existing solution in an innovative manner and uses a unique, novel, and/or creative approach tailored to the unique needs and challenges faced by the Covered Populations.
2. The application includes matching funds of twenty (20) percent or greater.
3. The application includes matching funds of thirty (30) percent or greater.
4. The proposed Digital Equity Project facilitates the purpose of the Digital Equity Competitive Grant program, specifically by promoting two or more of the following: (1) Economic stability, including workforce development and employment opportunities; (2) Access to quality education; (3) Access to healthcare; (4) Social and civic engagement; or (5) Community access to the benefits of Internet technology.
5. The proposed project focuses services on one or more Covered Populations in geographic areas in which more than 50% of households are “covered households” within the meaning of the Digital Equity Act.
6. The proposed project will create a sustainable long-term impact on digital equity and inclusion (e.g., by demonstrating ongoing funding sources, a broad range of appropriate partners or other indicators of an ability to continue the project(s) past the period of performance) or will lead to the permanent elimination of a barrier to digital equity.

**Rolling Awards:** Applications will be organized into prioritized groupings based on their Merit Review scores and proceed through Programmatic Review together. Applications will remain in these groupings for consideration by the Selecting Official, who will develop a slate of awards for submission to the Grants Officer on a rolling basis. Within each prioritized grouping, the OICG Associate Administrator will consider each application’s Merit Review and Programmatic Review Score and will take into account the selection factors listed in Section V.E of the NOFO when recommending awards for final review and approval by the Assistant Secretary. Any



application that is not selected for an award within a prioritized grouping will be considered for funding within the next highest scoring prioritized group. (NOFO Section V.D.5)

**1.13 What resource should Applicants use to determine 150% of the poverty level referred to in the definitions for Covered Populations and Covered Households in NOFO Section I.B?\***

Applicants can use major means-tested programs that use federal poverty guidelines as a criterion for eligibility under the Competitive Grant Program, so long as it is as restrictive as the [U.S. Census Bureau's measure of poverty thresholds](#). Examples may include federal programs such as the Department of Agriculture's Supplemental Nutrition Assistance Program (SNAP) or the Department of Health and Human Services' Head Start program. More examples can be found on the [Department of Health and Human Services' poverty guidelines resource web page](#).

**1.14 What is the definition of a "household"?\***

NTIA accepts the [U.S. Census Bureau definition of a "household"](#) for the purposes of determining poverty level. For reference, the U.S. Census Bureau defines "household" as:

A household consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live with any other persons in the structure and there is direct access from the outside or through a common hall.

A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters. There are two major categories of households, "family" and "nonfamily". (See definitions of [Family household](#) and [Nonfamily household](#).)

## 2. Application

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### 2.1 When are applications for the Competitive Grant Program due?

Applications for the Competitive Grant Program must be complete and must adhere to the instructions provided in the NOFO and be submitted in the format required by the NTIA Grants Portal ([www.grants.ntia.gov](http://www.grants.ntia.gov)). When developing the submission timeline, each applicant should keep in mind that: (a) all applicants are required to have current registrations in the electronic System for Award Management (SAM.gov) and (b) the free annual registration process in SAM.gov generally takes between three (3) and five (5) business days but can take more than three weeks.

Complete applications from Eligible Entities must be received by the NTIA Grants Portal no later than 11:59 p.m. Eastern Time (ET) on September 23, 2024.

Complete applications from U.S. Territories must be received through the NTIA Grants Portal (<https://grants.ntia.gov>) no later than 11:59 p.m. Eastern Time (ET) on October 22, 2024.

Please direct programmatic inquiries to [digitalequity@ntia.gov](mailto:digitalequity@ntia.gov)

Application materials are available at <https://broadbandusa.ntia.gov>.

(NOFO Section IV.F)

### 2.2 What must be included in an application for the Competitive Grant Program?

Applications for Grants under the Competitive Grant Program must be complete, must adhere to the instructions provided in Section IV.B of the NOFO, and must be submitted in the format requested in the NTIA Grants Portal (<https://grants.ntia.gov>). NTIA will not consider applications that fail to comply with these requirements or that are untimely submitted. Any Eligible Entity or U.S. Territory applying for a Competitive Grant must submit an application that includes the information listed in the NOFO, which is inclusive of the elements required by the Digital Equity Act.

### 2.3 What should Eligible Entities include in the Competitive Grant application Project Narrative?

The Project Narrative must include the following information:

- a. **An Executive Summary.** The executive summary should include the information listed in NOFO Section IV.B(7)a.
- b. **Activities and Interventions.** For each specific implementation activity and/or intervention that will be part of the Digital Equity Project, and which will use Competitive Grant Program funding, include the elements in NOFO Section IV.B(7)b.
- c. **A project plan:** A description of all major project activities and timelines, including the timing of planning and implementation stages, key milestones and when each major project activity will start and end, and potential risks to the timeline and proposed mitigation strategies.

(NOFO Section IV.B(7))

## 2.4 What should Eligible Entities include in a Consolidated Budget Form?

All budget information in the Consolidated Budget Form must support the dollar amounts identified in the SF-424 and demonstrate that the project or activity meets the eligible use requirements in the Digital Equity Act and the NOFO. The Consolidated Budget Form is an Excel spreadsheet that includes budget details for all costs as well as a narrative explanation of those costs. The budget details must reflect the cost categories that appear on the SF-424 and include itemized calculations for each cost placed under those categories. Each cost must include a narrative that explains the necessity and basis for the cost and reflect only allowable costs that are consistent with the project(s)' scope. Allowable costs are determined in accordance with the cost principles identified in 2 C.F.R. Part 200, including Subpart E of such regulations and the Digital Equity Act. Consolidated Budget Form entries must reflect costs in the appropriate cost categories listed in the form and include itemized calculations for each cost placed in those categories.

The budget must account for the recipient's administrative costs, capped at 10% of the grant amount, and program evaluation costs, capped at 10% of the grant amount. For this purpose, the 10% limitation on administrative costs includes the combined total of indirect and direct administrative costs charged to the award. If indirect costs are included in the proposed budget, the applicant must either provide a copy of their approved negotiated indirect cost rate agreement or include a statement that they are electing to charge the *de minimis* rate, in accordance with 2 C.F.R. 200.414. The applicant must clearly describe in the budget narrative how it applied or calculated its administrative costs and demonstrate that its combined direct and indirect administrative costs are both at or under the 10% statutory limit and consistent with their negotiated indirect cost rate agreement or the *de minimis* rate, as applicable.

(NOFO Section IV.B(8))

## 2.5 What activities are subject to caps under the Competitive Grant Program NOFO?

### a. 10 Percent Cap on Evaluation

*A recipient shall use no more than 10 percent of the grant amount to measure and evaluate the activities supported with the grant amounts.*

### b. 10 Percent Cap on Administrative Costs

*A recipient shall use no more than 10 percent of the grant amount for administrative costs in carrying out any of the activities described in Section IV.C.1 of the NOFO. The 10% limitation on administrative costs includes the combined total of indirect and direct administrative costs charged to the award.*

(NOFO Section IV.C.4)

## 2.6 Who can an applicant contact if they have problems in the NTIA Grants Portal (NGP)?

Applicants having technical difficulties accessing, using, or navigating the NGP can contact [ngphelpdesk@ntia.gov](mailto:ngphelpdesk@ntia.gov).

## 2.7 Can an applicant request an extension for the application deadline?

Per the NOFO Section IV.F, and in accordance with 2 C.F.R. 200.204, the application deadline is 60 days. NTIA does not generally grant application deadline extensions; however, NTIA reserves the right to consider waivers to this requirement in extenuating circumstances.

## 2.8 What happens if an application is found to be incomplete during the Initial Eligibility and Administrative Review?

NTIA reserves the right to remove applications from consideration if submitted materials are incomplete.

In its discretion, NTIA may provide an applicant with an incomplete application one opportunity to cure its application, in which case NTIA will provide the applicant up to seven (7) calendar days to submit information responsive to the feedback provided by NTIA, unless this time period is extended by NTIA.

For more information about how applications will be reviewed during the Initial Eligibility and Administrative Review, see Question 1.9 in the [FAQs round 1](#).

## 2.9 What are some reasons an application may be removed from consideration?

During the Initial Eligibility and Administrative Review stage, NTIA will conduct an initial review of all submitted applications to ensure they contain the information and documentation required under Section IV.B of the NOFO (“Content and Form of Applications”) and that this information was submitted in a timely manner as required by Section IV.F.

The following applications will be eliminated from review:

- An application from an entity that does not meet the definition of an Eligible Entity or is not a Territory as described in NOFO Section III.A;
- A partnership application that fails to submit the required Letters of Commitment from each member of the partnership as described in Section IV.B of this NOFO; or
- A Native Entity application that does not submit an authorization from its governing body as described in NOFO Section III.A; or
- Applications that are not submitted in a timely manner.
- NTIA reserves the right to remove applications from consideration if submitted materials are incomplete.

## 2.10 Is the Standard Form-LLL (SF-LLL) required of all applicants?

No. *Applicants are only required to submit this form if they have engaged in covered lobbying activities.* The SF-LLL is used to disclose lobbying activities that may have been conducted to influence the outcome of a federal action, as outlined in [31 U.S.C. §1352](#). The filing form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an

officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action.

Applicants that do not have lobbying activities to disclose are not required to submit the SF-LLL with their application.

### **2.11 Who can participate in partnerships?\***

Only Eligible Entities (defined in NOFO Section III.A) can participate in partnerships. U.S. Territories cannot participate in partnerships as they are not Eligible Entities and have their own set-aside funding. A subcontractor is not considered to be a “partner” for purposes of a partnership application. A subrecipient may be a partner if it is an Eligible Entity. That said, although otherwise ineligible third-party contributors (i.e., entities that are not an Eligible Entity) are not permitted to participate in partnerships, they are able to provide match to the Applicant, so long as that match is accounted for in the Consolidated Budget Form.

### **2.12 How will organizational capability be evaluated in the application?**

NTIA will consider the following when evaluating an application for organizational capability, as described in NOFO Section V.C.B. The evaluation criteria for Merit Review, including organizational capability, applies to all applications, whether from a single organization or a partnership.

- The strength of the applicant’s organizational capability to implement the proposed Digital Equity Project, including the programmatic and technical experience of the implementation team.
- Whether the applicant has breadth and depth of experience, as an organization or through partnerships, and how the applicant demonstrates the experience with the Covered Populations necessary to effectively complete the proposed projects.
- The applicant’s ability to manage large federal grant awards effectively, either based on demonstrated management of past projects, or based on an explanation and description in the applicant’s application materials indicating their capacity to do so.
- The applicant’s ability to manage large programmatic initiatives, either based on the applicant’s past success and relevant experience or based on an explanation in the applicant’s materials indicating their capacity to do so.
- The extent to which the applicant has included measures to facilitate direct support, technical assistance, and capacity building across the Covered Populations.
- The strength of the applicant’s strategy to manage and foster collaboration among subrecipient(s) and subcontractor(s) (if applicable).

### **2.13 What is a “community anchor institution”?**

NOFO Section I.B defines a *community anchor institution (CAI)* as a public school, a public or multi-family housing authority, a library, a medical or healthcare provider, a community college

or other institution of higher education, a State or Territory library agency, and any other nonprofit or governmental community support organization.

## 2.14 What is the difference between an Authorized Representative (AR) and the Authorized Organizational Representative (AOR)?

The ***Authorized Representative*** is the *eligible entity organization designated as the applicant* for a partnership. The AR is responsible for submitting the Competitive Grant Application when applying as a partnership. An AR organization may only submit one application to the Competitive Grant Program.

The ***Authorized Organizational Representative*** is the *person who has signatory authority on behalf of the Authorized Representative and all other partners of a partnership*. The AOR must be identified in the SF-424. In the event that the applicant is not applying as a partnership, the AOR is the person who has signatory authority on behalf of the eligible entity submitting the application.

## 2.15 Can a partnership change the Authorized Representative after submitting its application? What about the Authorized Organizational Representative?

The ***Authorized Representative*** **cannot** be changed on a **submitted** application and **cannot** be changed after the application window has closed. Applicants that wish to withdraw their application should email the NGP Help Desk at [ngphelpdesk@ntia.gov](mailto:ngphelpdesk@ntia.gov).

If a partnership needs to apply with a different Authorized Representative *during* the application period, the Authorized Representative should submit a new application on behalf of the partnership.

Note that the Authorized Representative is different than the *Authorized Organizational Representative (AOR)*, who is the person who has signatory authority for the eligible entity submitting the application or, in the case of partnership, for all partners. The AOR for an applicant can be changed following the [NTIA Grants Portal \(NGP\): Authorized Organizational Representative \(AOR\) Change Request Submission Guidance](#).

## 2.16 Can a partnership change its Authorized Representative after receiving an award?

Transfer of an award may be possible through a novation, but requires agreement of all members of the partnership, as well as approval by the grants officer. This type of transfer is challenging and may not be approved, so applicants should make every effort to choose the correct Authorized Representative during initial application.

## 2.17 Can an Authorized Representative submit multiple applications?

No. An Eligible Entity may submit only ***one application*** for Competitive Grant Program funding (regardless of whether the application is as an Authorized Representative of a partnership or applying as an individual applicant). However, an Eligible Entity ***may participate as a member of more than one partnership*** so long as it only submits one

application (either as an Authorized Representative of a partnership or as an individual applicant). (*NOFO Section III. A*)

### **2.18 Will NTIA retain unsuccessful applications submitted for the 2024 Competitive NOFO and consider them for future Competitive NOFOs?**

NTIA will not consider unsuccessful applications for future Competitive NOFOs. NTIA will retain unsuccessful applications as required by NTIA recordkeeping requirements, as outlined in Section VI.C of the NOFO.

### **2.19 Are all not-for-profit entities eligible to apply?**

Yes. According to NOFO Section III.A(3), Eligible Entities include a foundation, corporation, institution, or association that is –

- a. a not-for-profit entity; and
- b. not a school.

### **2.20 Are for-profit workforce development entities eligible entities?**

Any entity that carries out a workforce development program is eligible to apply for grants under the Competitive Grant Program under 47 U.S.C. §1724(b), including for-profit entities that carry out a workforce development program.

### **2.21 Are hospitals and health systems eligible entities?**

If a hospital or health system is otherwise eligible under 47 U.S.C. §1724(b), that entity is eligible to apply for grants under the Competitive Grant Program.

### **2.22 Are the entities in U.S. Territories that served as the Administering Entity for the Planning Grant Program and Capacity Grant Program U.S. Territory set-asides eligible to apply for the U.S. Territory set-aside under the Competitive Grant Program?**

Yes, for U.S. Territories, the Administering Entity for the Capacity and/or Planning Grant Programs can submit an application for the U.S. Territorial set-aside under the Competitive Grant Program. The applicant must have a letter from the governor (or equivalent official) appointing them to act as the representative of the Territory.

### **2.23 Can an entity apply if it shares a UEI with an entity that administers the Capacity Grant Program?**

So long as the entity is not serving, and has not served, as the administering entity for a State under either the State Digital Equity Planning Grant Program or the State Digital Equity Capacity Grant Program, and they are otherwise eligible under 47 U.S.C. §1724(b), that entity is eligible to apply for the Competitive Grant Program. Entities that share a System for Award Management (SAM) Unique Entity Identifier (UEI) with the administering entity for a State under either the Planning Grant Program or Capacity Grant Program are eligible to apply for the Competitive Grant Program, so long as the applying entity is a distinct agency or organization from the administering entity under the Planning Grant Program or Capacity Grant Program.

## 2.24 Are labor unions considered eligible entities?

If a labor union is otherwise eligible under 47 U.S.C. §1724(b), that entity is eligible to apply for grants under the Competitive Grant Program.

## 2.25 Is there a style guide for the application? Is there a word limit or a page count?

There is no style guide for the Competitive Grant Program Application. However, applications for Grants under the Competitive Grant Program must be complete, must adhere to the instructions provided in the NOFO, and must be submitted in the format requested in the NTIA Grants Portal (<https://grants.ntia.gov>). Some sections will require file uploads while others may require a text response with a character limit. Applications submitted by email, paper, or facsimile will not be accepted.

## 2.26 If NTIA receives a high volume of applications proposing similar projects or interventions, how will this affect the prioritization of an individual application?

Applications will go through the Initial Eligibility and Administrative Review and Merit Review without consideration of similarity of project or intervention type. Applications will go through Programmatic Review in order of Merit Review score, except where certain projects are *elevated* to ensure geographic diversity, to ensure that all Covered Populations are being served or to balance the Covered Populations being served, or to ensure the statutory Native Entity set aside is satisfied.

During Programmatic Review, each application will receive a Programmatic Review score, which will take into account an application's Merit Review score and several Programmatic Review factors (including novelty of proposed solution, facilitation of purpose of the Digital Equity Competitive Grant Program, level of need within the project's proposed area, and sustainability of impact).

During OICG Associate Administrator Review, the Associate Administrator will consider the Programmatic Review scores generated during Programmatic Review, and will also consider the following selection factors: "(a) geographic diversity, (b) ensuring that all Covered Populations are being served or to balance the Covered Populations being served, and (c) ensuring that the Native Entity set aside is satisfied." During the OICG Associate Administrator Review stage, the OICG Associate Administrator may decline to recommend projects for funding where the projects cover substantially the same Covered Populations that are being served by another project.

Competitive NOFO V.E

## 2.27 If an Eligible Entity is located in a U.S. Territory, are they eligible to apply for the U.S. Territory set aside? What deadline applies to an Eligible Entity located in a U.S. Territory?

No - Eligible Entities, per 47 U.S.C. §1724(b), that are located in the U.S. Territories are subject to the same requirements as all other types of Eligible Entities and are not eligible to apply for



the U.S. Territory set aside. However, Eligible Entities, including those located in the U.S. Territories, may apply to the general pool and must submit an application consistent with all statute and NOFO requirements by September 23, 2024.

**2.28 Where can applicants upload additional documents in the NGP?\***

To the extent that applicants have additional documentation to support the application or to provide other information that will assist NTIA in assessing the merits of the application, applicants can upload it as a combined file with the Letters of Commitment, which is field 1.4.5 of the Digital Equity Competitive application in the NTIA Grants Portal (NGP).

## 3. Awards and Funds/Allowable Uses

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### 3.1 How much funding is available through this Competitive Grant Program NOFO?

Congress appropriated \$750,000,000 (minus administrative expenses) to fund grants under the Digital Equity Competitive Grant Program through fiscal year 2024. NTIA anticipates that an additional \$250,000,000 (minus administrative expenses) will become available for FY25 in October of 2024. If these funds become available, NTIA will add these funds to this NOFO.

*(NOFO Section II.A)*

### 3.2 How much funding is available to Native Entities through the Competitive Grant Program?

The Digital Equity Act requires the Assistant Secretary to reserve five (5) percent of the amount made available to carry out the Program in a fiscal year to award grants to, or enter into contracts or cooperative agreements with, Indian Tribes, Alaska Native entities, and Native Hawaiian organizations (“Native Entities”) to allow those tribes, entities and organizations to carry out the activities described in the Competitive Grant Program. Accordingly, NTIA will reserve \$37,500,000 of the \$750,000,000 for grant awards to Native Entities. If fiscal year 2025 funds are made available, NTIA will reserve an additional \$12,500,000 of the \$250,000,000 for Native Entities.

Because Native Entities are included within the definition of an Eligible Entity under the Competitive Grant Program, applications from Native Entities will be considered as part of the Competitive Grant Program along with all other Eligible Entities. If Native Entities are not funded to at least the amount of the Native Entity set aside during the initial award process, lower scoring Native Entity applications will be considered until either the set aside has been exhausted, or until there are no further qualifying Native Entity applications. Any Native Entity set-aside funds not awarded will be made available to Native Entities through future NOFOs.

*(NOFO Section II.A)*

### 3.3 How much funding is available to U.S. Territories through the Competitive Grant Program?

The Digital Equity Act requires the Assistant Secretary to reserve one (1) percent of the amount made available to carry out the Program in a fiscal year to award grants to, or enter into contracts or cooperative agreements with, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States that is not a State (“U.S. Territories”) to enable those entities to carry out the activities described in the Competitive Grant Program. Accordingly, NTIA will reserve \$7,500,000 of the \$750,000,000 for grant awards to U.S. Territories. If fiscal year 2025 funds are made available, NTIA will reserve an additional \$2,500,000 of the \$250,000,000 for Territories. Because U.S. Territories are not Eligible Entities, and thus cannot participate directly in the Competitive Grant Program, these funds will be made available to the Territories through a separate review process using the same application requirements, as described in Section V.D.4 of the NOFO.

*(NOFO Section II.A)*

### **3.4 How will grant amounts to Eligible Entities be determined?**

Grant awards will be made on a competitive basis under the criteria outlined in Section V of the NOFO and will depend upon the number of applicants and the size of the proposals submitted. NTIA expects to make individual Competitive Grant Program awards to Eligible Entities within a range of \$5,000,000 and \$12,000,000. This funding range is not a required minimum or maximum, but Eligible Entities requesting award amounts outside that range must explain why their application falls below or above this range and must provide a compelling justification for that variance.

*(NOFO Section II.D)*

### **3.5 How will grant amounts to U.S. Territories be determined?**

Awards to U.S. Territories will be made based on the criteria outlined in Section V of the NOFO and will not exceed \$2,500,000. While NTIA expects award amounts to be above \$1,000,000, this is not a required minimum and will be determined based on the number of applications and amount of funding requested.

*(NOFO Section II.D)*

### **3.6 Can an Eligible Entity receive Competitive Grant Program funding if it is receiving other sources of Federal or State funding for broadband?**

Yes. However, a grant or subgrant awarded to an Eligible Entity under the Competitive Grant Program shall supplement, not supplant, other federal or State funds that have been made available to carry out activities described in the Digital Equity Act and in the NOFO. Broadband Equity, Access, and Deployment Program funds, including funds used for non-deployment expenditures, as well as the Tribal Broadband Connectivity Program, are subject to separate financial assistance award terms and conditions and must not be supplanted by Competitive Grant Program funding.

*(NOFO Section IV.C.4.c)*

### **3.7 What are the allowable uses of Competitive Grant Program funds?**

Applicants must comply with the requirements of the Digital Equity Act and the NOFO. An Eligible Entity or U.S. Territory to which a Competitive Grant is awarded must use the grant funds to support not less than 1 of the following activities:

- a. To develop and implement digital inclusion activities that benefit one or more of the Covered Populations.
- b. To facilitate the adoption of broadband by Covered Populations to provide educational and employment opportunities to those populations.
- c. To implement training programs for Covered Populations that cover basic, advanced, and applied skills or other workforce development programs, including, for example, digital inclusion projects that address online safety, and work to prevent online harassment and abuse

- d. To make available equipment, instrumentation, networking capability, hardware and software, or digital network technology for broadband services to covered populations at low or no cost.
- e. To construct, upgrade, expend, or operate new or existing public access computing centers for Covered Populations through community anchor institutions.
- f. To undertake any other project and activity that the Assistant Secretary finds to be consistent with the purposes for which the Program is established.

Grant recipients may only use federal award funds to pay for allowable costs under the Digital Equity Competitive Grant Program. Allowable costs are determined in accordance with the cost principles identified in 2 C.F.R. Part 200, including Subpart E of such regulations and in the Digital Equity Act. In addition, costs must be reasonable, necessary, allocable, and allowable for the proposed Digital Equity Project, and conform to generally accepted accounting principles. Grant funds may be used to cover only eligible costs incurred by the recipient during the period of performance, allowable costs incurred by the recipient during the grant closeout process, and limited pre-application expenses as outlined in NOFO Section IV. C.1.

### **3.8 When can project work begin on the Competitive Grant Program?**

Project work can begin once awards have been made and relevant Specific Award Conditions (SACs) are satisfied.

### **3.9 When will awards be made?**

NTIA expects to begin making awards under the NOFO by Winter of 2024. NTIA plans to issue awards made under the Competitive Grant Program on a rolling basis. (NOFO Section IV.H)

### **3.10 What is the Period of Performance?**

Except for measurement and evaluation activities required under the Digital Equity Act and the NOFO, grant recipients must *expend the grant amounts* within four (4) years after the date on which the entity is awarded the grant. The consolidated budget submitted with the application must reflect completion of all projects and interventions during the four (4) year period of performance. As permitted by the Digital Equity Act, *grant recipients may continue to measure and evaluate the activities supported with the grant amounts for a period of one (1) year after the initial four (4) year Period of Performance*. Measurement and evaluation costs are capped at ten (10) percent and should be reflected in the consolidated budget. This timeline is required by the Competitive Grant Program's statutory authority and no extensions to the four (4) year Period of Performance, or the one (1) year evaluation period, may be granted. (NOFO Section II.B)

### **3.11 What activities are prohibited in the Competitive Grant Program?**

NOFO Section IV.C.4 defines the following prohibited activities:

- **Prohibition on Supplanting**

*Pursuant to 47 U.S.C. §1724(i), a grant or subgrant awarded under the Competitive Grant Program shall supplement, not supplant, other federal or State funds that have been made available to carry out activities described at 47 U.S.C. §1724 and in the NOFO. Broadband Equity, Access, and Deployment Program funds, including funds*

*used for non-deployment expenditures, as well as the Tribal Broadband Connectivity Program, are subject to separate financial assistance award terms and conditions and must not be supplanted by Competitive Grant Program funding.*

- **Prohibition on Profit or Fees**

*A profit, fee, or other incremental charge above actual cost is not an allowable cost under this program.*

- **Prohibition on Use of Grant Funds to Support or Oppose Collective Bargaining**

*Grant funds awarded pursuant to this program may not be used, whether directly or indirectly as an offset for other funds, to support or oppose collective bargaining.*

- **Prohibition on General Research**

*Projects must be limited to serving the Covered Populations and may not include general research projects or academic studies of digital equity or the Covered Populations.*

### **3.12 Is it allowable to use BEAD or Capacity Grant Program funds to apply for the Competitive Grant Program?**

No. Broadband Equity Access and Deployment (BEAD) funds, State Digital Equity Capacity Grant Program (Capacity Grant Program) funds, and funds from any other NTIA funded grant program may be not be used to apply for the Competitive Grant Program.

While pre-award costs that are necessary and reasonable for submitting an application are allowable under the Competitive Grant Program, it is not allowable to use BEAD or Capacity Grant Program funds, or funds from any other NTIA funded grant program, to pay for costs associated with applying.

### **3.13 Is creating an endowment an allowable use of Competitive Grant funds?**

No. Endowments are an unallowable use of Competitive Grant funds. Per the program’s statutory authority, at 47 U.S.C. 1724(d)(2)(D), the period of performance for all grants issued under the Competitive Program is four years, with one additional year for evaluation of grant activities. All funds must be expended within that time period.

### **3.14 What costs are subject to the 10% Administrative Cap? What costs are not subject to the 10% Administrative Cap?**

As outlined in the NOFO, an entity that is awarded a grant under this grant may not use more than 10% of the grant amount for expenses relating (directly or indirectly) to the administration of the Competitive Grant Program. This 10% cap applies to the combined total of the federal share and non-federal match. The administrative cost cap applies to the administrative costs incurred by the recipient. The administrative cap does not apply to administrative costs incurred by subrecipients in the management of their projects and programs. In all cases, administrative costs must be reasonable.

Administrative costs are distinct from programmatic costs. Programmatic costs are not subject to the 10% administrative cap.

- **Administrative costs** are those expenses not related to the direct provision of program activities.
- **Programmatic costs** encompass expenses directly associated with the implementation and delivery of specific services or activities outlined in digital equity plans. These costs are directly attributable to the achievement of program objectives and the provision of services to Covered Populations and include program evaluation.

Costs can be split across different cost categories (e.g., an employee may spend part of their salary on activities towards the admin cap, and part of their salary on the activities towards the evaluation cap.) The Consolidated Budget Form requires applicants to explicitly identify costs subject to the administrative cap (10%).

For more information on how the Administrative Cap applies to the Competitive Program, see the Competitive Grant Program Administrative Cap Primer.

### **3.15 In the Capacity Grant Program, the definition of incarcerated individuals was inclusive of formerly incarcerated individuals; is that the case for the Competitive Grant Program?**

The Bipartisan Infrastructure Law (BIL) names incarcerated individuals, other than individuals who are incarcerated in a Federal correctional facility, as one of the eight Covered Populations that the Digital Equity Act grant programs are intended to benefit. Consistent with the definition of incarcerated individuals under the Planning and Capacity Grant Programs, the Competitive Grant Program NOFO Section I.B(7)3 lists under Covered Populations, incarcerated individuals (as defined by the State or Territory), other than individuals who are incarcerated in a Federal correctional facility. Applications for Competitive Grant funds should address incarcerated individuals as defined by that applicant, so long as it is consistent with the definition in the NOFO.

### **3.16 Can Recipients use unrecovered indirect costs as match?**

No. A recipient cannot claim unrecovered indirect costs as a Cost Share contribution. Recipient indirect costs are limited to what is included in the entity's Negotiated Indirect Cost Rate Agreement or de minimis rate, as applicable, and are further limited by the statutory administrative cost cap. Any indirect costs above these restrictions are not considered to be allowable expenses.

### **3.17 If an Applicant receives Capacity Grant funds from the state's administering entity, how does that impact the Applicant's eligibility to apply for and receive funds from the Competitive Grant program?**

Recipients of Capacity Grant funds from the state's administering entity are not prohibited from receiving funds from the Competitive Grant program. However, NTIA will take consider the following when reviewing applications for the Competitive Grant program:

According to NOFO Section IV.C.4.c, a grant or subgrant awarded to an Eligible Entity under the Competitive Grant Program shall supplement, not supplant, other federal or State funds that have been made available to carry out activities described in the Digital Equity Act and in the

NOFO. Broadband Equity, Access, and Deployment Program funds, including funds used for non-deployment expenditures, as well as the Tribal Broadband Connectivity Program, are subject to separate financial assistance award terms and conditions and must not be supplanted by Competitive Grant Program funding.

Note that applicants will be required to submit a detailed disclosure of the source and amount of other Federal, State, or outside funding sources the entity receives, or has applied for, that fund the activities or projects to which the application relates, including, for example, any funding requests through the Digital Equity Capacity Grant Program; the Broadband Equity, Access, and Deployment Program; the Capital Projects Fund, or the Tribal Broadband Connectivity Program, per NOFO Section IV.B(15).

### **3.18 Does the 10% statutory cap on administrative costs apply to indirect costs?\***

If indirect costs are included in the proposed budget, the applicant must provide a copy of their Negotiated Indirect Cost Rate Agreement (NICRA) (or provisional rate) or include a statement that they are electing to charge the de minimis rate, in accordance with 2 C.F.R. 200.414. (NOFO Section IV.B(8)). Note that the revisions to 2 C.F.R. 200, published by OMB on April 22, 2024 at 89 FR 30046, increase the de minimis rate to 15% of Modified Total Direct Costs (MTDC). This update also changed the definition of MTDC.

Eligible Entities may use their NICRA, but should be mindful that their NICRA does not exempt them from having to abide by the 10% administrative cap outlined in 47 U.S.C. §1724(d)(2)(C). Some, but not all costs included in an entity's NICRA are administrative costs subject to the 10% cap, so even when using a NICRA, the entity must still explain how they have determined which costs are administrative costs. In all cases, total direct and indirect administrative costs must be less than or equal to the 10% cap. (NOFO Section IV.C.4.b)

Note that the 10% cap applies to the total award amount, inclusive of matching funds. Applicants may not use unrecovered administrative costs (any administrative costs above the 10% administrative cost cap, but included within an entity's NICRA) towards the required cost share.

## 4. Cost Sharing/Matching Requirement

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### 4.1 Is match (both in-kind and cash) subject to the 10% caps on Evaluation and Administrative Costs?

Yes, all funding, regardless of source, is subject to the rules and restrictions of the Administrative and Evaluation caps.

### 4.2 Can federal funds be used for cost sharing or matching funds?

No. Federal funds may not be used for cost sharing or matching funds, except as expressly provided by federal statute associated with the funds used to provide the match, as described in 2 C.F.R. 200.306(b)(5), [as recently updated by OMB in the Federal Register, at 89 FR 30046](#). These updates will apply to all awards issued under the Competitive Grant Program.

### 4.3 What are some sources of cost sharing or matching funds?

Cost sharing, or matching guidelines, are defined in 2 C.F.R. 200.306. Applicants should refer to that section, as recently updated by OMB in the Federal Register at [89 FR 30046](#), for more information on what qualifies as cost sharing or matching. These updates will apply to all awards issued under the Competitive Grant Program.

Cost sharing or match can be as a direct cash match, or as an in-kind contribution. Some examples of in-kind contributions include:

- Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor if the service is an integral and necessary part of an approved project or program.
- Third-party organization services of an employee, valued at the employee's regular rate of pay plus an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, and indirect costs at the third-party organization's approved federally negotiated indirect cost rate.
- Donated property from third parties, not to exceed the fair market value of the property at the time of the donation.

It is important to note that the recipient, subrecipients, partners, and/or third parties can all provide both in-kind match and/or cash match. Generally, matches must be accepted unless explicitly prohibited.

### 4.4 What happens if the cost share or matching requirement is not met?

If the applicant does not appear to meet the cost share or matching requirement, and has not submitted a waiver of part or all of the cost match, the application will be flagged for review, documentation, and resolution with NTIA. Applicants who are confirmed to not meet this requirement will be removed from consideration and not continue with the Initial Review process.



#### 4.5 How can an applicant request a waiver of the 10% match requirement?

If the applicant seeks a waiver of the federal share (i.e., matching) requirement, a petition to the Assistant Secretary for a waiver of the federal share requirement demonstrating financial need and setting forth the basis upon which the applicant seeks a waiver of this requirement (NOFO Section IV.B.6) must be included in the application.

Waivers will be considered on a case-by-case basis, and there is no guarantee that a waiver request will be granted. Denied waivers may be handled in one of two ways:

- 1) **The denied waiver request causes the application to be incomplete or noncompliant with statutory provisions.** NTIA may, at its discretion, provide the application with the opportunity to cure on a case-by-case basis. The applicant will have approximately two (2) calendar days to resubmit the application, unless an extension is granted. If the applicant does not respond to the request to cure, the application will be removed from consideration for Merit Review and the reasoning will be documented in NGP.
- 2) **The denied waiver request does not impact the application's ability to proceed through review.** The application would continue to move through the appropriate Review stage. Applications which proceed to Programmatic Review would be evaluated with the denied waiver request in mind.

## 5. Subrecipients

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### 5.1 In the application, can applicants propose subgranting funds to unknown subrecipients or running a subrecipient selection process during the award period?

No. All subrecipients must be identified at the time of application. Per the NOFO Section IV.B.7.b.vi, the Project Narrative requires the following: "Whether the project will be implemented by the applicant directly or will be sub-granted, and if sub-granted, **the name(s) of the subgrantee(s).**" The Project(s) Description Form and the Consolidated Budget Form should additionally account for all subgrantees.

### 5.2 Are partnerships from entities across U.S. States and Territories permitted under a single application?

Yes, partnerships from entities within multiple U.S. States and/or Territories are permitted in a single application. In addition, applicants must identify the specific geographies to be served or a statement that the activities will be state or territory wide, as well as the percentage of covered households within the geographic area to be served within the Project Narrative of the application.

## Appendix: \*New Questions & Answers as of Version 4.0

### 1.13 What resource should Applicants use to determine 150% of the poverty level referred to in the definitions for Covered Populations and Covered Households in NOFO Section I.B?\*

Applicants can use major means-tested programs that use federal poverty guidelines as a criterion for eligibility under the Competitive Grant Program, so long as it is as restrictive as the [U.S. Census Bureau's measure of poverty thresholds](#). Examples may include federal programs such as the Department of Agriculture's Supplemental Nutrition Assistance Program (SNAP) or the Department of Health and Human Services' Head Start program. More examples can be found on the [Department of Health and Human Services' poverty guidelines resource web page](#).

### 1.14 What is the definition of a "household"?\*

NTIA accepts the [U.S. Census Bureau definition of a "household"](#) for the purposes of determining poverty level. For reference, the U.S. Census Bureau defines "household" as:

A household consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live with any other persons in the structure and there is direct access from the outside or through a common hall.

A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters. There are two major categories of households, "family" and "nonfamily". (See definitions of [Family household](#) and [Nonfamily household](#).)

### 2.11 Who can participate in partnerships?\*

Only Eligible Entities (defined in NOFO Section III.A) can participate in partnerships. U.S. Territories cannot participate in partnerships as they are not Eligible Entities and have their own set-aside funding. A subcontractor is not considered to be a "partner" for purposes of a partnership application. A subrecipient may be a partner if it is an Eligible Entity. That said, although otherwise ineligible third-party contributors (i.e., entities that are not an Eligible Entity) are not permitted to participate in partnerships, they are able to provide match to the Applicant, so long as that match is accounted for in the Consolidated Budget Form.

### 3.18 Does the 10% statutory cap on administrative costs apply to indirect costs?\*

If indirect costs are included in the proposed budget, the applicant must provide a copy of their Negotiated Indirect Cost Rate Agreement (NICRA) (or provisional rate) or include a statement that they are electing to charge the de minimis rate, in accordance with 2 C.F.R. 200.414. (NOFO Section IV.B(8)). Note that the revisions to 2 C.F.R. 200, published by OMB on April 22, 2024 at 89 FR 30046, increase the de minimis rate to 15% of Modified Total Direct Costs (MTDC). This update also changed the definition of MTDC.

Eligible Entities may use their NICRA, but should be mindful that their NICRA does not exempt them from having to abide by the 10% administrative cap outlined in 47 U.S.C. §1724(d)(2)(C). Some, but not all costs included in an entity's NICRA are administrative costs subject to the 10% cap, so even when using a NICRA, the entity must still explain how they have determined which costs are administrative costs. In all cases, total direct and indirect administrative costs must be less than or equal to the 10% cap. (NOFO Section IV.C.4.b)

Note that the 10% cap applies to the total award amount, inclusive of matching funds. Applicants may not use unrecovered administrative costs (any administrative costs above the 10% administrative cost cap, but included within an entity's NICRA) towards the required cost share.