



# Frequently Asked Questions and Answers Version 9.0

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

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



## Note

*This document is intended solely to assist recipients in better understanding the Broadband Equity Access and Deployment (BEAD) Program and the requirements set forth in the Infrastructure Investment and Jobs Act, Notice of Funding Opportunity (NOFO), and [BEAD Restructuring Policy Notice](#). The BEAD Restructuring Policy Notice (RPN) modifies and replaces certain requirements outlined in the BEAD NOFO. 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 not modified by the RPN. In all cases, statutory and regulatory mandates, the terms and conditions of the award, and follow-on policies and guidance, shall prevail over any inconsistencies contained in this document.*

Please review the questions and answers carefully as the release of the RPN has impacted previously published answers.

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# 1. *NOFO Overview*

## 1.1 How does the BEAD program define an “unserved” location?

An unserved location is defined as a broadband-serviceable location that the Broadband DATA Maps show as (a) having no access to broadband service, or (b) lacking access to Reliable Broadband Service offered with - (i) a speed of not less than 25 Mbps for downloads; and (ii) a speed of not less than 3 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds (NOFO Section I.C.dd).

An unserved service project is defined as a project in which not less than 80 percent of broadband-serviceable locations served by the project are unserved locations. An “Unserved Service Project” may be as small as a single unserved broadband serviceable location (NOFO Section I.C. ee).

## 1.2 How does the BEAD program define an “underserved” location?

An underserved location is defined as a broadband-serviceable location that is (a) not an unserved location, and (b) that the Broadband DATA Maps show as lacking access to Reliable Broadband Service offered with - (i) a speed of not less than 100 Mbps for downloads; and (ii) a speed of not less than 20 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds (NOFO Section I.C.bb).

An underserved service project is defined as a project in which not less than 80 percent of broadband-serviceable locations served by the project are unserved locations or underserved locations. An “Underserved Service Project” may be as small as a single underserved broadband-serviceable location (NOFO Section I.C.cc).

## 1.3 How does IJA define “Community Anchor Institution” (CAI)?

The term “community anchor institution” means an entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, or community support organization that facilitates greater use of broadband service by vulnerable populations, including low-income individuals, unemployed individuals, and aged individuals.

#### **1.4 Which Community Anchor Institutions are eligible to receive broadband access through the BEAD Program?**

A Community Anchor Institution that lacks access to Gigabit-level broadband service is an eligible service location under the BEAD Program.

#### **1.5 Are BEAD funds only restricted for use on last-mile broadband deployment? May funds be used for middle mile infrastructure?**

As noted in Section IV.B.5.b. of the NOFO an “Unserved Service Project” or “Underserved Service Project” may include Middle Mile Infrastructure in or through any area required to reach interconnection points or otherwise to ensure the technical feasibility and financial sustainability of a project providing service to an unserved location, underserved location, or eligible CAI.

#### **1.6 Is an Eligible Entity able to change the administering entity for the BEAD program after initial designation in the LOI?**

Yes. An Eligible Entity may contact its Federal Program Officer or other designated program contact to change the designated administering entity or the point-of-contact. Eligible Entities must provide updates to Federal Program Officers of any personnel changes that result in changes to the designated point-of-contact.

#### **1.7 How long do Eligible Entities have to spend Initial Planning Funds?**

The period of performance for the planning grants will be 5 years from the date of award. Eligible Entities can spend initial planning funds over the 5-year period.

#### **1.8 Are subgrantees required to retain ownership of assets that they build, or can ownership be transferred in exchange for arrangements like right of way?**

The costs related to the assets are only allowed to be charged to the grant if they are necessary and reasonable for the performance of the BEAD award. As these assets would not be used in the performance of the BEAD award, they are not necessary and reasonable for the purpose of this grant and are thus not allowed (see 2 CFR 200.403(a)). The costs related to a plan to build grant-funded assets for eventual exchange, for example exchanging asset ownership for right of way, are not allowable. If a subgrantee sought to obtain a right of way using NTIA grant funds, and the costs related to obtaining that right of way were determined to be necessary and reasonable

for the purpose of the grant, those costs would be an allowable use of NTIA grant funds.

In the event that original or replacement grant-funded equipment is no longer needed for the original project or program, the Eligible Entity and subrecipients must dispose of property in accordance with 2 CFR 200.313.

### **1.9 Will subgrantees be allowed to deploy other offerings over a Funded Network?**

Yes, subgrantees may use BEAD-funded facilities to provide other offerings, such as telephone and video, over a Funded Network. It is important to note that income generated by a project over the period of performance is subject to project income regulations outlined in 2 CFR § 200.307.

### **1.10 Is it permissible for broadband providers to use BEAD funding to serve unserved locations within a different provider's service area?**

Yes, if those areas are unserved or underserved locations.

### **1.11 Is the 25% non-federal match required for BEAD Planning funds?**

A non-federal match is not required for Initial Planning Funds.

### **1.12 What is the 2% statutory cap for the BEAD program?**

The BEAD program has a **cap of 2% of project funds only for costs related to the administration of the Eligible Entity's grant.** Programmatic costs and administrative costs that are not for the administration of the Eligible Entity's grants do not count towards this 2% cap. The 2% statutory cap includes any subcontracts or subawards made to assist in the administration of the Eligible Entities grant. The 2% statutory cap on costs related to the administration of the Eligible Entity's grant administrative costs does not apply to funds allocated during the Initial Planning Funds phase of the BEAD Program (see BEAD NOFO section IV.B.2). Otherwise, the 2% statutory cap applies to all other BEAD Program funding.

### **1.13 Do all administrative costs count towards the 2% admin cap?**

No - Only those costs that are related to the administration of the Eligible Entity's grant count towards the 2% cap. Additionally, the 2% statutory cap does not apply to

funds allocated during the Initial Planning Funds phase of the BEAD Program (see BEAD NOFO section IV.B.2).

In making a determination of whether an expense falls within the 2% caps, consider the following:

- **The 2% cap may include expenses** that are both indirect and direct administrative costs so long as those expenses are related to the administration of the Eligible Entity's grant.
- **Indirect costs** that are related to the administration of the Eligible Entity's grant count toward the 2% ceiling. By their nature, indirect costs are those recipient costs that are not directly associated with the recipient's execution of its grant-funded project, but that are necessary to the operation of the organization and the performance of its programs. A grantee should describe the types of indirect costs that it will charge to the grant. A grantee can never double-charge a cost as both a direct and an indirect administrative cost. The budget provided by the Eligible Entity must explain how they will account for direct and indirect personnel costs charged to the grant with the 2% administrative cost ceiling.
- **Examples of personnel expenses** relating to administration of the grant may include costs attributable to: accounting, auditing, contracting, budgeting, and general legal services.
- **Examples of expenses** include costs attributable to: accounting, auditing, contracting, budgeting, and general legal services; facility occupancy costs, e.g., rent, utilities, insurance, taxes, and maintenance; general liability insurance that protects the organization (not directly related to a program); depreciation on buildings and equipment; general office supplies; general and administrative salaries and wages; subgrants administration like staffing and/or contract support; and training for staff in relation to subgranting (e.g., federal grants compliance training)

#### 1.14 Does the 2% statutory cap on costs related to grant administration apply to all BEAD funds?

No, the 2% statutory cap on costs only applies to the administration of an Eligible Entity's grant (see BEAD NOFO section IV.B.4). The 2% statutory cap does not apply to funds allocated during the Initial Planning Funds phase of the BEAD Program (see BEAD NOFO section IV.B.2).

## 1.15 How should applicants track their 2% administrative costs?

Recipients are required to maintain financial management systems that include records documenting compliance with Federal statutes, regulations and terms and conditions of Federal award, that is sufficient to permit the preparation of reports; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

As such, recipients will be required to track and report the costs associated with this requirement. For example, if any position funded by grant funds will incur direct administrative charges, you must note which position will be doing these activities, what the activities are, and how much time will be spent on these activities.

Additional information about how to report these costs and the frequency of the reporting will be provided at a future date and incorporated into the specific award conditions for the award during the initial-phase of the award (not in the planning phase).

Below are some strategies that NTIA recommends to help applicants track costs related to the administration of the grant:

- Identify the 2% cap amount first to understand your budget for costs related to the administration of the Eligible Entity's grant;
- Track when direct administrative costs are incurred and retain documentation;
- Identify key personnel associated with administering the program. Record their salaries and fringe benefits;
- Report operating expenses of facilities required to administer the program;
- Check spent administrative costs against the 2% cap estimate on a monthly basis;
- Contact FPO if you have any questions about costs that may qualify as administrative costs;
- Create an internal fund code specific to administrative charges within your BEAD funding codes in your financial system and a more specific, separate code of administrative charges related to the administration of the Eligible Entity's grant, and;
  - This way, employees can charge their admin time directly to the administrative charge code and make it easier for you to track personnel administrative charges.
- Ensure your organization has a time and attendance policy that addresses tracking of administrative charges.



## 1.16 Are subgrantees subject to the 2% administrative cap? How does this affect the administrative cap for Eligible Entities?

Yes- subgrantees are subject to the 2% administrative cap, however the administrative cap only applies to administrative expenses related to administration of the Eligible Entity's grant. The administration cap requirement in section 60102(d)(2)(B) applies to the Eligible Entities and all subcontractors and subgrantees. Under 2 CFR 200.101 and DOC ST&Cs F.03, the terms and conditions of Federal awards generally flow down to subcontracts and subawards. So, this requirement will flow down to subrecipients.

Regarding the scope of this requirement, Section 60102(d)(2)(B) states that "An eligible entity may use not more than 2 percent of the grant amounts made available to the eligible entity under subsection (e) for expenses relating (directly or indirectly) to administration of the grant" (emphasis added).

The cap applies only to the expenses relating to the administration of the Eligible Entity's BEAD grant. If an Eligible Entity enters a subcontract or subaward for a subcontractor or subgrantee to undertake administrative activities related to the administration of the Eligible Entity's BEAD grant, those expenses would be included within the 2% cap. However, the cap does not apply to a *subgrantee's* administrative expenses to administer its subaward.

While the statutory requirement will apply to all grants and subgrants, the scope of the statutory requirement (and the 2% cap) is somewhat narrow. The majority of subgrants for broadband deployment will not be associated with the administrative expenses related to the administration of the Eligible Entity's grant, and therefore will not fall within the 2% administrative cap.

## 1.17 What is a Direct Administrative Cost and what is an Indirect Administrative Cost?

Direct Administrative Costs are costs associated with specific work for the effective administration of the grant, and they must be specific to the program. Examples include salaries and fringe benefits for grant administration personnel, office supplies, postage, program coordination and project execution, and equipment required to administer the program.

Indirect Administrative Costs are costs incurred by the organization during the execution of the project, but not clearly identifiable to the project. Examples include depreciation of facilities, facility occupancy costs, general liability insurance, general legal services, taxes, rent and utilities, indirect salaries, and accounting fees.

### **1.18 Are facilities constructed using non-BEAD funding subject to BEAD network requirements?**

No, facilities constructed using non-BEAD funding are not subject to BEAD network requirements unless those facilities are used to meet federal funding match requirements. If facilities count toward matching funds, they are subject to the same network requirements as those directly funded by BEAD projects. Accordingly, Eligible Entities should ensure all potential subgrantees are specific and precise in their proposals for funding usage and potential federal funding match opportunities.

### **1.19 Can U.S. Treasury Coronavirus Capital Projects Fund (CPF) grants, provided under the authority of the American Rescue Plan Act of 2021, be used for BEAD matching funds?**

Yes, CPF grants may be used as matching funds for a BEAD broadband network infrastructure deployment subgrant, subject to all relevant match rules. Further, assets purchased with previously disbursed CPF grant funds may be used as an in-kind matching contribution for the BEAD program if the contribution is allowable as part of a BEAD broadband network infrastructure deployment project and meets all in-kind match requirements. As with any potential match contribution, Eligible Entities that want to contribute CPF funds as match for a BEAD broadband network infrastructure deployment project must use those funds in a way that complies with all requirements of both programs, as well as regulations regarding in-kind matches. Authorities that Eligible Entities should review regarding allowability of match include 47 U.S.C. 1702, the BEAD NOFO, the terms and conditions incorporated into their specific BEAD award, and 2 C.F.R. § 200.306.

### **1.20 Can Eligible Entities use grant funding to leverage, augment, upgrade, or modify existing infrastructure owned by their potential partners, subgrantees, political subdivisions, or associated federally recognized Tribes to meet BEAD goals (i.e. adding fiber lines to an existing electrical networks)?**

Yes, this may be an allowable use of grant funds if leveraging the existing infrastructure aids or otherwise helps the entity achieve the goals of the BEAD Program. Use of such existing infrastructure could also potentially count towards matching funds requirements. Applicants are encouraged to review sections III.B and V.H.2 of the NOFO, FAQs in the “Cost Sharing and Matching Guidelines” section, and 2 CFR § 200.306 CFR for further information on matching funds.

## **1.21 Will NTIA grant period of performance extensions? How will these be granted?**

Yes, under certain circumstances. NTIA may grant extensions for both the Eligible Entity and subgrantees under the following circumstances:

Section II.B.1. of the NOFO states that an Eligible Entity may extend the four-year network deployment deadline for subgrantees by not more than one year if:

1. the subgrantee has a specific plan for use of the grant funds, with project completion expected by a specific date not more than one year after the four-year deadline;
2. the construction project is underway; or
3. extenuating circumstances require an extension of time to allow the project to be completed.

Extensions for Eligible Entities for any part of the process may be granted at the sole discretion of the Assistant Secretary when extenuating circumstances demonstrate that additional time will support the overall goals of the BEAD Program.

Section II.B.2. of the NOFO states that each Eligible Entity must develop a process by which subgrantees may request extensions and provide documentation about the qualifying circumstances that warrant the extension.

If an Eligible Entity is seeking an extension for any part of the process with respect to which the Act does not authorize the Eligible Entity itself to grant such extension, it shall make a request in writing to NTIA and explain the need for such an extension. Such requests will then be evaluated by the Assistant Secretary based on the text of the Infrastructure Act and the goals of the BEAD Program.

## **1.22 What are tips for mitigating waste, fraud, and abuse?**

NTIA recommends the following tips for mitigating waste, fraud, and abuse:

- Develop and implement fair, transparent, and effective processes, including a system of accounting, procurement policies, internal controls, and records retention
- Examine existing processes and internal controls to identify areas vulnerable to fraud
- Host regular trainings to educate staff on risks
- Implement an internal compliance and ethics program that encourages the recognition and reporting of waste, fraud, abuse, and mismanagement

- Check that all financial and performance reports are supported with the required documentation
- Conduct monthly bank reconciliations to identify errors or irregularities

Allegations of waste, fraud, abuse, and mismanagement may be made anonymously through the OIG Hotline at 1-800-424-5197.

### **1.23 Can subgrantees submit audited financial statements at the parent-company level?**

Yes, audited financial statements of a publicly traded parent company are sufficient to meet the BEAD Program requirements.

### **1.24 Is it sufficient to have an employee serving in the capacity of a network engineer certify a project instead of a professional engineer?**

No, per NOFO Section IV.D.2.c the materials submitted by a prospective subgrantee must be certified by a professional engineer.

### **1.25 Are the lands described in subpoint (E) of the BEAD NOFO considered Tribal Lands for purposes of BEAD?**

No. The Assistant Secretary has determined that a programmatic waiver of Subpoint (E) of the definition of “Tribal Lands” in Section I.C(y) of the BEAD NOFO should be granted. Subpart (E) of BEAD’s definition of Tribal Lands applies to areas near or adjacent to reservations. These are not areas in which a Tribal authority has jurisdiction. Therefore, requiring Tribal consent for projects in these areas raises administrative challenges for Eligible Entities and subgrantees.

### **1.26 What is the Professional Engineer (PE) certification Requirement for Eligible Entities?**

The Professional Engineer (PE) Certification requirement of the BEAD NOFO (page 74) states that prospective subgrantees need to present a network design, diagram, project costs, build-out timeline, milestones for project implementation, and a capital investment schedule certified by a professional engineer. This certification should confirm that the proposed network can deliver broadband service that meets the performance requirements to all locations served by the project. The PE Certification Requirement is partially waived as described: The requirement that a prospective subgrantee submit a “capital investment schedule evidencing complete build-out and

the initiation of service within four years of the date on which the entity receives the subgrant” that is “certified by a professional engineer” is waived. A professional engineer is still required to certify the remaining elements of the PE Certification Requirement. The prospective subgrantee must still submit the aforementioned capital investment schedule to avail itself of the waiver, but the schedule does not require PE certification. The professional engineer making certifications in connection with the PE Certification Requirement may be licensed in any of the 56 Eligible Entities.

## 2. Restructuring BEAD Policy Notice

### 2.1 Are Eligible Entities and subgrantees still bound to the NOFO requirements not addressed by the Restructuring Policy Notice (RPN)?

Yes. The RPN does not rescind the NOFO. Eligible Entities and subgrantees must still adhere to the NOFO provisions not addressed in the RPN (RPN, Summary, p. 1).

### 2.2 What is required from Eligible Entities within thirty (30) calendar days after the release of the RPN?

All Eligible Entities must, by July 7, 2025:

- **Update** the BEAD eligibility list with federal enforceable commitment defaults
  - Determine if locations are not served by another means
  - Certify if locations are unserved or underserved
  - Incorporate these locations into the list
- **Submit** a letter [BEADCorrections@ntia.gov](mailto:BEADCorrections@ntia.gov) to request an IP correction using the Initial Proposal Correction Template (see RPN, Appendix D, p. 23).
- **Attach** updated eligibility list that reflects federal enforceable commitment defaults, if applicable
- **Submit** an IPFR budget modification, if desired

### 2.3 With the release of the RPN, should Eligible Entities continue to prioritize unserved, underserved, and CAI BSLs?

Yes. Eligible Entities must prioritize service to unserved service projects, underserved service projects, and then CAIs, consistent with the requirements of the Infrastructure Act.

## **2.4 When are Final Proposals due under the RPN?**

All Eligible Entities have 90 calendar days from the publication of the RPN to comply with the obligations outlined in the RPN and submit a Final Proposal that reflects the results of the Benefit of the Bargain round. In other words, Final Proposals are due by September 4, 2025. This deadline replaces any deadline in place prior to the publication of the RPN. NTIA will complete its review of each Final Proposal within 90 calendar days of submission (RPN, 3.3, p.10).

## **2.5 The RPN removes local coordination requirements, but retains the public comment requirements in the FP. What are the FP public comment requirements?**

Upon the conclusion of its public comment period, the Eligible Entity must:

- Describe how it conducted a public comment period
- Provide a high-level summary of the comments received, and;
- Demonstrate how it incorporated feedback in its FP submission, as applicable

The Eligible Entity is not required to respond to all individual comments but must capture where public comments impacted the contents of the FP submission. The Eligible Entity must also demonstrate how it conducted outreach and engagement activities to encourage broad awareness, participation, and feedback during the public comment period.

## **2.6 Does the RPN change EHP requirements?**

No. The Environmental and National Historical Preservation requirements have not changed. However, per the RPN, Eligible Entities are “hereby required to use the Environmental Screening and Permitting Tracking Tool (ESAPTT) within the NTIA Grants Portal” (RPN, 6, p. 15).

### ***3. Subgrantee Selection: Benefit of the Bargain***

#### **3.1 What is the definition of Priority Broadband Project?**

The Infrastructure Act defines a priority broadband project as one designed to:

- (i) provide broadband service that meets speed, latency, reliability, consistency in quality of service, and related criteria as the Assistant Secretary shall determine; and
- (ii) ensure that the network built by the project can easily scale speeds over time to -
  - a. meet the evolving connectivity needs of households and businesses; and
  - b. support the deployment of 5G, successor wireless technologies, and other advanced services. (RPN, 3.1, p.8-9).

The RPN restores the definition of Priority Broadband Project to its statutory definition and removes the fiber preference.

#### **3.2 Which aspects of the original prequalification period must be reopened to comply with the RPN?**

Under the RPN, Eligible Entities must reopen all prequalification processes that potential applicants must complete to determine eligibility for a BEAD subgrant (RPN, 3.3, p.10).

#### **3.3 Can applicants that did not prequalify prior to the RPN resubmit a pre-qualification application for the Benefit of the Bargain round?**

Yes. If an Eligible Entity had a prequalification process, this process must be reopened to all interested applicants, including those applicants that failed to pre-qualify in the past. Existing qualified applicants do not need to resubmit prequalification documentation (RPN, 3.3, p. 10-11).



### **3.4 Can a previous applicant be considered in the Benefit of the Bargain round without submitting a new application?**

Yes. Existing pre-qualified applicants do not need to resubmit documentation for consideration in the Benefit of the Bargain round. However, if selected, subgrantees will not be permitted to recover costs that were budgeted to comply with the regulatory burdens eliminated in the RPN (RPN, 3.3, p. 11).

### **3.5 May Eligible Entities create or add their own scoring criteria for subgrantee selection?**

No. No additional scoring factors outside of those explicitly listed in the RPN may be considered during subgrantee selection (RPN, 3.4, p. 11-13).

### **3.6 The Primary Criteria to choose a BEAD subgrantee is “... the option with the lowest cost based on minimal program outlay” (RPN, 3.4, p.12). However, Secondary Criteria are provided. Can you explain this?**

Scoring subgrantee applications may consist of a two-part process.

First, the Eligible Entity must determine which Priority Broadband Projects (PBP) proposal costs the least according to the minimal BEAD program outlay definition (see RPN, 3.4, p. 12). (Note: If PBP proposals are too expensive, an Eligible Entity can move to less expensive non-PBPs.) If there are no proposals within 15% of the lowest cost proposal, and costs aren't excessive, that proposal wins.

Second, if there are other proposals for the same project area that are within 15% of the lowest cost proposal, the Eligible Entity then goes on to consider Secondary Criteria in order to determine a winner (RPN, 3.4, p. 12).

### **3.7 What steps must Eligible Entities take prior to opening the Benefit of the Bargain Round?**

All EEs must take the following steps prior to reopening subgrantee selection:

- **Submit** the Initial Proposal correction letter and receive NTIA approval
- **Modify** the SGS process to score all applicants under same terms
- **Remove** non-statutory burdens from the application & scoring processes
- **Rescind** preliminary awards & notify applicants of next application round
- **Reopen** prequalification process, if applicable

- Eligible Entities may choose to make prequalification submissions part of the application
- **Update** the eligible location list following the ULFW process

## 4. Cost Sharing and Matching

### 4.1 What are the matching requirements for BEAD?

As described in Section III.B.1. of the NOFO, except in certain specific circumstances (i.e., projects in “high-cost areas” and other cases in which NTIA has waived the matching requirement), in the context of subgrants used to fund broadband network infrastructure deployment, each Eligible Entity shall require its subgrantee to provide, or provide in concert with its subgrantee, matching funds of not less than 25 percent of project costs. A matching contribution may be provided by the subgrantee, an Eligible Entity, a unit of local government, a utility company, a cooperative, a nonprofit or philanthropic organization, a for-profit company, regional planning or governmental organization, a federal regional commission or authority, or any combination thereof. While the match may be provided by multiple sources, Eligible Entities are encouraged to the maximum extent possible to require a match from the subgrantee before utilizing other sources of matching funds.<sup>1</sup> Eligible Entities are also required to incentivize matches of greater than 25 percent from subgrantees wherever feasible (especially where expected operational costs and revenues are likely to justify greater investment by the subgrantee) to reduce the federal share of projects and extend the reach of BEAD Program funding.

### 4.2 Can federal funds be used as matching funds? (e.g., ARPA Capital Projects Fund)

Federal funds may not be used as matching funds, except as expressly provided by federal statute. The Infrastructure Act expressly provides that for the BEAD Program matching funds may come from a federal regional commission or authority and from funds that were provided to an Eligible Entity or a subgrantee for the purpose of deploying broadband service under the following legislation, to the extent permitted by those laws:

- Families First Coronavirus Response Act (Public Law 116-127; 134 Stat. 178);
- CARES Act (Public Law 116-136; 134 Stat. 281)
- Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182); or

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<sup>1</sup> Rather than using state or local funds as a match to BEAD projects, Eligible Entities are encouraged to use these funding sources on broadband separately and leverage additional subgrantee match commitments. Eligible Entities also must use BEAD Program funds to supplement, and not supplant, the amounts that the Eligible Entity would otherwise make available for the purposes for which the grant funds may be used.

- American Rescue Plan Act of 2021 (Public Law 117-2; 135 Stat. 4).

Eligible Entities are encouraged to consider terms and conditions that may be associated with potential sources of match funds and how those may impact the project overall. For example, if an Eligible Entity utilizes federal regional commission funding as a match, the project will need to comply with all BEAD programmatic requirements and any requirements imposed by the federal regional commission.

Additional information about matches from other federal programs can be found in Section III.B.3. of the NOFO.

#### **4.3 What are circumstances under which NTIA may consider granting a match waiver?**

As explained in Section III.B.5. of the NOFO, in evaluating requests for waiver of the BEAD Program's non-federal match requirement, NTIA will carefully balance the Program's various objectives. Thus, the Assistant Secretary will generally seek to minimize the BEAD funding outlay on a particular project to extend the Program's reach, and expects to grant waivers only in special circumstances, when waiver is necessary to advance objectives that are critical to the Program's success. In order to be considered for a waiver, an Eligible Entity must submit a request that describes the special circumstances underlying the request and explain how a waiver would serve the public interest and effectuate the purposes of the BEAD Program. The Assistant Secretary retains the discretion to waive any amount of the match, including up to the full 25 percent requirement.

#### **4.4 Can matching funds be provided in any form other than cash? What are allowable in-kind contributions?**

Section III.B.4. of the NOFO states that matching funds may be provided in the form of either cash or in-kind contributions, so long as such contributions are made consistent with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth at 2 C.F.R. Part 200. In-kind contributions, which may include third-party in-kind contributions, are non-cash donations of property, goods or services, which benefit a federally assisted project, and 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.

The rules governing allowable in-kind contributions are detailed and encompass a wide range of properties and services. NTIA encourages applicants to thoroughly consider potential sources of in-kind contributions that, depending on the particular property or service and the applicable federal cost principles, could include:

- Employee or volunteer services;
- Equipment;
- Supplies;
- Indirect costs;
- Computer hardware and software; and
- Use of facilities.

In the broadband context this could include, consistent with federal cost principles:

- Access to rights of way;
- Pole attachments;
- Conduits;
- Easements; or
- Access to other types of infrastructure.

#### **4.5 Is the 25% non-federal match required for BEAD Planning Funds?**

A non-federal match is not required for Initial Planning Funds.

As described in the NOFO, except in certain specific circumstances in the context of subgrants used to fund broadband network infrastructure deployment (i.e., projects in “high-cost areas” and other cases in which NTIA has waived the matching requirement), each Eligible Entity shall provide, require its subgrantee to provide, or provide in concert with its subgrantee, matching funds of not less than 25 percent of project costs. A matching contribution may be provided by the subgrantee, an Eligible Entity, a unit of local government, a utility company, a cooperative, a nonprofit or philanthropic organization, a for-profit company, regional planning or governmental organization, a federal regional commission or authority, or any combination thereof. While the match may be provided by multiple sources, Eligible Entities are encouraged to the maximum extent possible to require a match from the subgrantee before utilizing other sources of matching funds. Eligible Entities are also required to incentivize matches of greater than 25 percent from subgrantees wherever feasible (especially where expected operational costs and revenues are likely to justify greater investment by the subgrantee) to reduce the federal share of projects and extend the reach of BEAD Program funding (NOFO Section III.B.1).

#### **4.6 Can state highway right of ways (ROWS) be used as match for the BEAD Program?**

Yes, state highway ROWs can be used as a match subject to the requirements around in-kind contributions. In-kind contributions are non-cash donations of property, goods or services, such as waiver of fees associated with access to rights of way, pole attachments, conduits, easements, or access to other types of infrastructure (NOFO Section III.B.4).

#### **4.7 Is it allowable for a grantee to contribute municipal revenue bond proceeds as matching funds for a BEAD?**

The Infrastructure Act and BEAD NOFO include a matching requirement of not less than 25 percent of project costs, subject to certain waivers (Act Section 60102(h)(3)(A), and NOFO Section III.B.1). A non-Federal entity may contribute municipal revenue bond proceeds to meet its BEAD matching funds requirement, so long as the contributions meet the criteria laid out in 2 CFR § 200.306(b) and such use is consistent with the terms of the bond. Such a bond would be considered governmental revenue, and not program income, under 2 CFR § 200.307(c).

#### **4.8 If a BEAD grantee contributes municipal revenue bond proceeds as matching funds, can the grantee then use program income to repay a revenue bond?**

Under the Financial Assistance Standard Terms and Conditions (ST&Cs), unless otherwise indicated in a specific award term, program income may be used for any required cost sharing consistent with 2 CFR § 200.307 (see ST&Cs Section B.05). Any match contributions must meet the criteria of allowable costs (2 CFR § 200.306(b)(4)). Allowable costs for the BEAD Program are determined in accordance with the cost principles identified in 2 CFR Part 200, including Subpart E of such regulations, for States and non-profit organizations, and in 48 CFR Part 31 for commercial organizations (NOFO Section V.H). A recipient may request that the Grants Officer and NTIA consider the repayment of the principal of the bond as an allowable cost. However, the repayment of the interest portion of the municipal revenue bond would not be allowable for the proposed project purpose. The Grants Officer would have to approve any such a proposal to use program income to repay revenue bonds and may require special award conditions.

#### **4.9 Can U.S. Treasury Coronavirus Capital Projects Fund (CPF) grants be used for BEAD matching funds?**

Yes, CPF grants can be used as matching funds. Further, assets purchased with previously disbursed CPF grant funds may be used as an in-kind matching contribution for the BEAD program if the purchase of that asset was an eligible use of BEAD funding. Eligible Entities that use CPF funds as the source of matching funds must comply with the requirements of both programs, as well as regulations regarding in-kind matches.

#### **4.10 Who is the beneficiary for the performance bond?**

The Eligible Entity should be the primary beneficiary.

#### **4.11 Does the performance bond amount need to include the match portion of the project or only the federal investment?**

The performance bond only needs to be for the amount of the federal funds in the project.

#### **4.12 Are LEO capacity subgrantees required to meet the 25% match requirement?**

Yes, LEO capacity subgrantees are required to meet the 25% match requirement (BEAD NOFO, III.B.1. p. 20).