

# BEAD Subgrantee Qualifications and Match

EVALUATION GUIDE

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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 \(NOFO\)](#), as modified by the [BEAD Restructuring Policy Notice \(RPN\)](#). 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.*



# Introduction

## Purpose of this Guide

The BEAD NOFO (Section IV.D) and the BEAD Restructuring Policy Notice (Section 3.3) require Eligible Entities to ensure that all prospective subgrantees can carry out activities funded by the subgrant. This Subgrantee Qualifications Evaluation Guide provides an overview of the requirements and guidance for evaluating the qualifications of ISPs that apply for BEAD subgrants.<sup>1</sup>

## Subgrantee Qualifications as Gating Criteria

Subgrantee qualifications act as gating criteria, meaning that prospective subgrantees must meet the standards to be eligible for BEAD funding. Please note that gating criteria are not scoring criteria. Gating criteria help determine which subgrant applicants are qualified to compete for subgrants, whereas scoring criteria help with selection between competing eligible prospective subgrantees.

## Importance of Reviewing Subgrantee Qualifications

It is essential for Eligible Entities to conduct a comprehensive evaluation of subgrantee qualifications. Per IIJA (47 U.S.C. § 1702(g)), the Eligible Entity shall:

- Ensure that any prospective subgrantee
  - Is capable of carrying out activities funded by the subgrant in a competent manner in compliance with all applicable Federal, State, and local laws;
  - Has the financial and managerial capacity to meet
    - the commitments of the subgrantee under the subgrant;
    - the requirements of the Program; and
    - such requirements as may be further prescribed by the Assistant Secretary;

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<sup>1</sup>This guide provides clarification on subgrantee qualification requirements in alignment with the BEAD Restructuring Policy Notice.

- Has the technical and operational capability to provide the services promised in the subgrant in the manner contemplated by the subgrant award;
- Stipulate, in any contract with a subgrantee for the use of such funds, reasonable provisions for recovery of funds for nonperformance; and
- Distribute the funds in an equitable and nondiscriminatory manner; and
- Ensure, through a stipulation in any contract with a subgrantee for the use of such funds, that each subgrantee uses the funds in an equitable and nondiscriminatory manner.

## Capacity to Review the Subgrantee Qualifications

Eligible Entities are strongly encouraged to assemble a group of subject matter experts (SMEs) to review and assess the qualifications of their prospective subgrantees. The Eligible Entities can either use in-house capacity or enlist the services of outside experts. Examples of positions that may be helpful when reviewing subgrantee qualifications include the following:

### **Example 1: Financial Analyst (e.g., Certified Public Accountant)**

Financial analysts can assess the stability and health of prospective subgrantees' finances and evaluate financial statements, pro forma analyses, and business plans.

### **Example 2: Technical Reviewer (e.g., Network Engineer)**

Technical reviewers can analyze network designs and infrastructure diagrams and confirm the feasibility of the technical proposals.

## 1. General Requirement

Prior to entering any subgrantee agreement each Eligible Entity shall ensure that the prospective subgrantee:

- Is capable of carrying out activities funded by the subgrant in a competent manner and in compliance with all applicable federal, Eligible Entity, and local laws;
- Has the financial and managerial capacity to meet the subgrant commitments, the requirements of the Program, and such other requirements as prescribed by the Assistant Secretary or the Eligible Entity;



- Has the technical and operational capability to provide the services promised in the subgrant in the manner contemplated by the subgrant award;
- Will stipulate that, if selected, it will use the funds in an equitable and nondiscriminatory manner; and
- Will stipulate that, if selected, it agrees to reasonable provisions for recovery of funds for nonperformance.

In making this determination, Eligible Entities should keep in mind that evaluation of these capabilities is relative to the size and type of project.

Additionally, Eligible Entities should be aware that prospective subgrantees can demonstrate their capabilities in a variety of ways. For example:

- A new consortium may highlight its individual members' strengths to demonstrate that the consortium meets the subgrantee qualifications; or
- A prospective subgrantee with broadband deployment experience but no operational background may partner with an experienced entity to demonstrate financial and managerial qualifications.

## **2. Specific Qualifications for Subgrantees Deploying Network Facilities**

In addition to the general qualifications, subgrantees deploying network facilities must also meet specific requirements related to:

- Financial Capability;
- Managerial Capability;
- Technical Capability;
- Operational Capability;
- Ownership; and
- Other Public Funding.



## 2.1 Financial Capability

To demonstrate financial capability, prospective subgrantees must provide the following evidence<sup>2</sup>:

### *Certifications*

- Prospective subgrantees must certify that they:
  - Are financially qualified to meet the obligations associated with the project;
  - Will have available funds for all project costs that exceed the amount of the grant; and
  - Will comply with all Program requirements, including service milestones.
- If funding is disbursed upon task completion, subgrantees must certify that they have sufficient financial resources to cover project costs until further disbursements are authorized.

**Example:** If a prospective subgrantee certifies that they have the necessary funds for project costs exceeding the grant, then the Eligible Entity can cross-check this claim with financial statements or bank guarantees.

### *Letter of Credit (LOC) Requirements*

#### *General Requirements:*

The BEAD NOFO and the conditional programmatic waiver of the NOFO's letter of credit requirements together require the following:

- Prospective subgrantees must submit a letter from:
  - An eligible bank or credit union committing to issue an irrevocable standby letter of credit in the form established by the Eligible Entity; or
  - A certified surety on federal bonds committing to issue the prospective subgrantee a performance bond (PB).

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<sup>2</sup> With the Assistant Secretary of Commerce's approval, entities with the ability to issue public bonds, such as municipalities, can provide alternative evidence of financial capabilities (see the [BEAD Financial Capability Alternatives Policy Notice](#) for more information).

- Before finalizing any subgrantee agreement, the prospective subgrantee must obtain:
  - A standby letter of credit in the form established by the Eligible Entity valued at no less than 25% of the subaward amount; or
  - A performance bond acceptable in all respects to the Eligible Entity in a value of no less than 100% of the subaward amount; or
- The Eligible Entity may elect to issue funding on a reimbursable basis for periods of no more than six months and permit subgrantees to maintain a letter of credit or performance bond valued at 10% of the subaward amount.
- If requiring the 25% letter of credit or 100% performance bond, the Eligible Entity may elect to permit subgrantees to reduce the amount of the letter of credit or performance bond upon achievement of specific deployment milestones.
- Letters of credit, but not performance bonds, must be accompanied by an opinion letter from legal counsel asserting that in bankruptcy proceedings the letter of credit or its proceeds will not be treated as the subgrantee's bankruptcy estate property.

**Example:** If the prospective subgrantee provides a \$250,000 letter of credit from a well-known bank for a \$1,000,000 project, the Eligible Entity should verify that the amount matches or exceeds 25% of the subaward amount and that the period of the letter is valid.

#### *Low Earth Orbit Capacity Subgrant Requirements:*

For potential recipients of Low Earth Orbit Capacity Subgrants:

- Prospective LEO Capacity Subgrantees may reduce their LOC/PB by:
  - 50% at the point of certification that service is available to each location in the project area; and
  - An additional 25% of the original amount after the subscription rate reaches at least 25% of all locations in the project area; and
  - The final 25% of the original amount and closed out once the subscription rate reaches 50% of all locations in the project area.
- Regardless of subscription rate, the LOC/PB may be terminated four years after the LEO Capacity Subgrantee certifies that it can initiate broadband service within 10 business days of a request to any covered BSL in the project area.





**Example:** If the prospective subgrantee provides a \$2,500 letter of credit from a well-known bank for a \$10,000 project, the LEO provider may reduce its letter to \$1,250 at the point of certification that service is available to each location in the project area. The letter can be reduced to \$625 after the subscription rate reaches at least 25% of all locations in the project area and may be closed out to \$0 once the subscription rate reaches at least 50%.

### *Audited Financial Statements*

Prospective subgrantees must submit financial statements from the prior fiscal year that are audited by an independent certified public accountant. If not previously audited, prospective subgrantees can provide unaudited statements but must commit to supplying audited statements by a specified deadline. Financial statements should be detailed, indicate cash flow for financial stability, contain positive financial indicators, and include recommendations from auditors regarding material weaknesses or deficiencies. For LEO providers applying for BEAD subgrants, NTIA will work with the provider to develop a financial certification letter

documenting the financial capability of the provider that can be relied upon by Eligible Entities in satisfying their obligation to ensure the financial capability of the subgrantee.

**Example:** The prospective subgrantee provides financial statements audited by a properly credentialed CPA firm showing consistent profitability and positive cash flow indicating good financial health and capability. The statements lack any red flags or discrepancies.

### *Sustainability / Pro Forma Analyses*

Prospective subgrantees must submit comprehensive and realistic business plans and related analyses that substantiate the sustainability of the proposed project and include contingencies and risk management strategies. This can be provided in the form of pro forma statements or analyses, inclusive of cash flow and balance sheet projects, and should include at least three years of operating cost and cash flow projections post-project completion.

**Example:** If a prospective subgrantee's pro forma analysis predicts steady growth in user subscriptions over three years after completion, makes assumptions on subscriber take rates and Average Revenue Per User (ARPU) that reflect local conditions such as existing competitors, and has contingencies for market downturns, it indicates a well-thought-out plan. However, Eligible Entities should still analyze the



company's business plan's clarity and alignment with the proposed project; examine the pro forma statements for realistic projections; and check for any risk mitigations strategies in the plan.

## 2.2 Managerial Capability

To demonstrate managerial capability, prospective subgrantees must provide the following evidence:

### *Documentation*

- Resumes of all key management staff; and
- Organizational chart(s) detailing parent companies, subsidiaries, and affiliates.

### **Examples:**

- If a project manager's resume shows a history of successful completion of similar-sized broadband network projects, it may indicate their suitability for managing the proposed project.
- If a network engineer's resume indicates extensive experience in designing, implementing, and managing the type of broadband network in the project proposal, it may signify their technical proficiency and capability to efficiently execute and oversee the network aspects of the proposed project.

### *Narrative on Managerial Readiness*

Narrative describing the prospective subgrantee's readiness to manage a broadband network which includes:

- Experience and qualifications of key management;
- Experience undertaking projects of similar size and scope;
- Recent and upcoming organizational changes including mergers and acquisitions; and
- Relevant organizational policies.

**Example:** If the prospective subgrantee provides a narrative explaining the involvement of their company in successful broadband projects implementation, it might indicate that the company is well-suited for deploying and managing broadband networks. The Eligible Entity should capture the details provided about the past



projects (e.g., the project size & scope), and make sure that they're similar in scope to the proposed project.

## 2.3 Technical Capability

To demonstrate technical capability, prospective subgrantees must provide the following evidence:

### *Certification*

#### *General Requirements:*

A prospective subgrantee applying for funding to develop or enhance a broadband network should certify that it is:

- Technically qualified to complete and operate the project; and
- Capable of carrying out the funded activities in a competent manner.

A prospective subgrantee should provide a strategic plan showcasing their intention to employ a credentialed and skilled workforce for the project, and assurance that they acknowledge the program's requirements and have the means to meet the technical obligations.

#### *Unlicensed Fixed Wireless Requirements:*

Prospective Unlicensed Fixed Wireless subgrantees applying for funding to develop or enhance a broadband network must additionally certify that they have addressed:

- Interference problems from other Part 15 users competing for the same spectrum; and
- Evaluation difficulty problems regarding network capabilities<sup>3</sup>.

Prospective Unlicensed Fixed Wireless subgrantees should outline the mitigation strategies adopted to address the technical issues associated with ULFW deployments as seen in the BEAD Restructuring Policy Notice.

### *Documentation*

#### *General Requirements:*

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<sup>3</sup> See the [BEAD Restructuring Policy Notice](#), Appendix A for more information.

Prospective subgrantees must provide the following certified by a Professional Engineer (PE) stating that the proposed network can deliver broadband service that meets the requisite performance requirements to all locations served by the project:

- A network design and diagram that aligns to the project's scope;
- Detailed project costs that are realistic and aligned with industry standards;
- Build-out timeline and milestones for project implementation; and
- 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.
  - *Please note that the Eligible Entity may allow BEAD deployment applicants to submit the information listed above without a PE certification at the time of application, but the Eligible Entity must have the required PE-certified materials in hand before the SAC meeting.*

#### *Unlicensed Fixed Wireless Requirements:*

In addition to providing the PE-certified information listed above, prospective subgrantees proposing to deploy ULFW networks must provide the following stating that the proposed network can deliver broadband service that meets the requisite performance requirements to all locations served by the project:

- Sufficient evidence (as determined by the Eligible Entity) to address interference and evaluation concerns.
- See RPN Appendix A for examples of mitigation strategies that ULFW providers may adopt to address the technical issues associated with ULFW deployments.

#### **Examples:**

- **Technical Qualification:** Prospective subgrantees might provide certifications from reputable institutions, or endorsements from prior partners. Eligible Entities should review the validity of the certifications and contact the listed partners to confirm the endorsements.
- **Network Design & Diagram:** Prospective subgrantees might provide a technical drawing showing the layout of the network infrastructure. Eligible Entities should review this to ensure it aligns with the project's scope and objectives.



- **Project Costs:** A prospective subgrantee might provide a detailed budget breakdown showcasing all the costs. Eligible Entities should ensure these costs are realistic, justifiable and aligned with the project's scope.
- **Timeline & Milestones:** A prospective subgrantee might provide a Gantt chart or a similar project management tool to show the project timeline. Eligible Entities should review this to check for feasibility and ensure that all critical milestones are covered.

## 2.4 Operational Capability

To demonstrate operational capability, prospective subgrantees must provide the following evidence:

### *Certifications*

A prospective subgrantee that has provided a voice, broadband, and/or electric transmission or distribution service for at least the two (2) consecutive years prior to the date of its application submission or that it is a wholly owned subsidiary of such an entity, must certify the number of years the prospective subgrantee or its parent company has been operating.

If the prospective subgrantee has provided a voice and/or broadband service it must certify that it has timely filed Commission Form 477s and the Broadband DATA Act submission, if applicable, as required during this time period, and otherwise has complied with the Commission's rules and regulations. Any deviations or failure to comply with Commission rules should be explained, including any related enforcement actions or civil litigations.

**Example:** The prospective subgrantee might provide a track record of submitted FCC Form 477s. The Eligible Entity should make sure that it correlates with official databases, and if possible, engage with the Commission to check for any hidden issues.



## Service Reports

Prospective subgrantees that operated only electric transmission/distribution services should provide qualified operating or financial reports<sup>4</sup> filed with relevant financial institutions for the required period highlighting a clear and consistent track record of operational activities, and financial health and stability. Prospective subgrantees should also certify the accuracy of the provided reports.

## New Entrants

New entrants to the broadband domain should present evidence to demonstrate readiness, highlighting their operational capacity. This can be:

- Resumes of significant personnel;
- Detailed project descriptions and narratives from contractors; subcontractors, or partners with relevant operational experience; and/or
- Any other comparable evidence underlining operational proficiency.

**Example:** *New Entrants to Broadband Market:* The prospective subgrantee might provide evidence of strategic partnerships and credentials of key hires. The Eligible Entity should check the credibility of partners or hired experts and evaluate the feasibility of project plans.

## 2.5 Ownership

Eligible Entities are required to have every prospective subgrantee provide a comprehensive disclosure of their ownership information, adhering to the specifics laid out in 47 C.F.R. § 1.2112(a)(1)-(7). This regulation mandates the full disclosure of direct and indirect ownership interests, including details of any parties with a 10% or more stake, the nature of the interest, and the inter-relationships with any FCC-regulated entities. The Eligible Entity should cross-reference the list provided with external databases to verify accuracy, seek clarification on any ambiguities, and consult with legal teams to ensure the disclosure aligns with the requirements of 47 C.F.R. § 1.2112(a)(1)-(7).

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<sup>4</sup> Acceptable submissions for this purpose are the Rural Utilities Service (RUS) Form 7, Financial and Operating Report Electric Distribution; the RUS Form 12, Financial and Operating Report Electric Power Supply; the National Rural Utilities Cooperative Finance Corporation (CFC) Form 7, Financial and Statistical Report; the CFC Form 12, Operating Report; or the CoBank Form 7; or the functional replacement of one of these reports. See Rural Digital Opportunity Fund Order, 35 FCC Rcd at 719, n. 202.



**Example:** The prospective subgrantee might provide a detailed ownership chart showcasing direct and indirect stakeholders, a list of associated FCC-regulated entities, and clear explanations of relationships between entities.

## 2.6 Other Public Funding

Eligible Entities shall require that prospective subgrantees, along with their affiliates, fully disclose all applications and broadband deployment projects funded by public sources. This includes detailing aspects like sources of public funding, service speed, latency, and coverage area, commitment to serve unserved/underserved areas, the amount of public funding used, consumer service costs, and any matching commitments. The Eligible Entity should cross-check the details, especially the funding amount and commitments, to ensure there are no overlaps or conflicts with other projects and verify if the service costs align with market rates.

**Note:** The term "affiliate" refers to any entity with more than a 10% equity interest or under common ownership or control with the prospective subgrantee.

### Examples:

- A prospective subgrantee might provide details of a project funded under the CARES Act, covering a defined geographic area, aiming to serve 80% of unserved locations, with a service speed of 25/3 Mbps and latency of 60ms. They might also disclose a \$2M funding from the CARES Act and a service cost of \$50/month to consumers.
- A prospective subgrantee might provide a list of affiliates as per the 10% equity interest definition, detailing their involvement in public-funded projects, including their specific commitments, and received funds.

# Appendix A: Subgrantee Qualification Checklist

The checklist below outlines the requirements that the prospective subgrantee must meet to be eligible for BEAD funding.

## ☐ **General Requirements:**

- ☐ Can the prospective subgrantee competently execute funded activities while adhering to all relevant federal, Eligible Entity, and local laws?
- ☐ Does the prospective subgrantee possess the financial and managerial strength to fulfill the subgrant's commitments, meet program requirements, and adhere to standards set by the Assistant Secretary or the Eligible Entity?
- ☐ Does the prospective subgrantee have the necessary technical and operational skills to deliver the services pledged in the subgrant as intended by the award?
- ☐ Will the prospective subgrantee, if selected, use the funds in an equitable and nondiscriminatory manner?
- ☐ Will the prospective subgrantee, if selected, agree to reasonable provisions for recovery of funds for nonperformance?

## ☐ **Financial Capability:**

- ☐ Does the prospective subgrantee provide valid and proper authorization and endorsement of the certifications?
- ☐ Does the prospective subgrantee provide a Letter of Credit that meets or exceeds 25% of the subaward value?
  - ☐ Does the prospective subgrantee provide a Letter of Credit that meets or exceeds 10% of the subaward value, if the EE issues funding on a reimbursable basis for periods of no more than six months?
- ☐ Does the prospective subgrantee provide a legal opinion letter accompanying the letter of credit which addresses bankruptcy considerations?



☐ Does the prospective subgrantee provide audited financial statements with indicators of cash flow that indicate financial stability and an absence of alarming discrepancies?

☐ Does the prospective LEO capacity subgrantee provide a financial certification letter from NTIA demonstrating their financial capacity to undertake the commitments of a subgrantee?

☐ Does the prospective subgrantee provide sustainability and pro-forma analyses which describe a comprehensive and realistic business plan and projections indicating the project's sustainability?

☐ **Managerial Capability:**

☐ Does the prospective subgrantee provide resumes and organizational charts?

☐ Does the prospective subgrantee provide narratives on managerial readiness?

☐ **Technical Capability:**

☐ Does the prospective subgrantee provide certifications to prove the technical qualification?

☐ Does the prospective subgrantee provide required documentation (Network Diagrams, Project Cost Estimates, Timeline & Milestones, PE endorsement, etc.)?

☐ **Operational Capability:**

☐ Does the prospective subgrantee provide past experiences?

☐ Does the prospective subgrantee provide valid records?

☐ Does the prospective subgrantee provide financial and operational reports?

☐ Does the prospective subgrantee provide evidence underlining operational proficiency? (Question for new entrants to broadband market)

☐ **Ownership:**

☐ Does the prospective subgrantee provide complete disclosure of direct and indirect ownership?

☐ Does the prospective subgrantee provide details of all parties with a stake of 10% or more?



☐ Does the prospective subgrantee provide verification of the relationship between the applicant and any federal FCC regulated entities?

☐ **Other Public Funding:**

☐ Does the prospective subgrantee provide a comprehensive disclosure of all publicly-funded broadband projects the subgrantee or its affiliates are participating in?

☐ Does the prospective subgrantee provide a clear statement of commitment levels to unserved and underserved areas?

☐ Does the prospective subgrantee provide details of the funding received from specified public funds?

☐ Does the prospective subgrantee provide information about consumer service costs and any additional commitments made by the prospective subgrantee or its affiliates?

## Appendix B: BEAD Match Primer

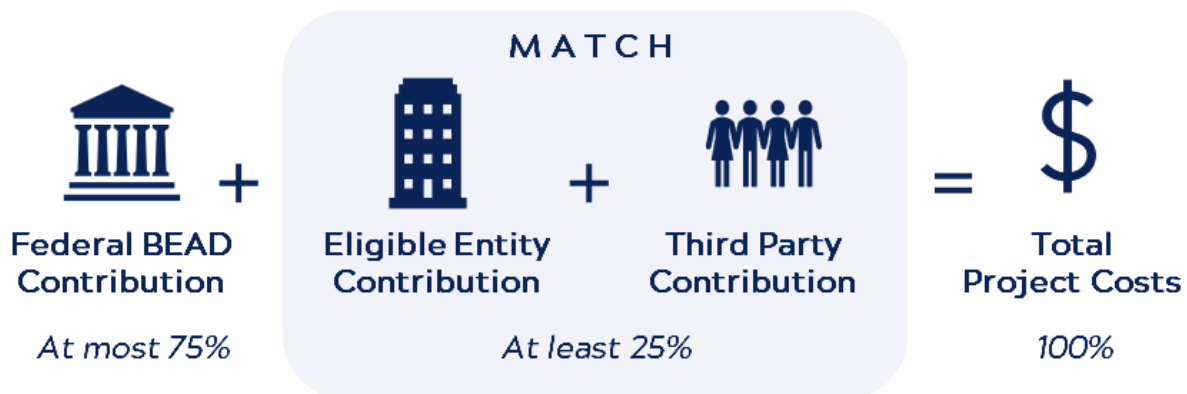
The following appendix provides BEAD Program Eligible Entities with guidance on matching funds.

### What is Match?

Match, also known as cost share, is the portion of a project's cost not paid by federal funds (see 'Using Other Program Funds as Match' for BEAD Program exceptions). As seen in Figure 1, the BEAD Program requires a minimum 25% match for deployment projects, exclusive of "high-cost areas." Any funds provided as match for deployment projects must stay with the project and cannot be allocated to other program activities (i.e., match cannot be aggregated).

**Note:** The Program's match requirement is waived for deployment projects in NTIA-designated "high-cost areas." For BEAD, a matching contribution can either be a cash match or an in-kind match. For all matches, Eligible Entities must adhere to the requirements in 2 CFR 200.306.

Figure 1: BEAD Project Match



- **Cash Match:** Cash match, or cash contribution, includes cash spent for project-related costs. Cash is the Eligible Entity's own funds or funds from a third party.
- **In-Kind Match:** In-kind matches, also known as in-kind contributions, are non-cash donations of property, goods, or services which benefit a federally assisted project, and 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 and may come from a third party.

*All matches must meet the following criteria:*

- Verifiable from the non-federal entity's records;
- Not included as contributions for any other federal award;
- Necessary and reasonable to accomplish project or program objectives;
- Allowable under subpart E of CFR 200.306;
- Not paid by the federal government under another federal award, except where the federal statute authorizing a program specifically provides that federal funds made available for such program can be applied to matching or cost sharing requirements of other federal programs,
  - **Note:** See 'Using Other Program Funds As Match' for BEAD Program exceptions.
- Provided for in the approved budget when required by the federal awarding agency; and
- Conform to other provisions of 2 CFR 200.306, as applicable.

## When Does Match Occur?

Eligible Entities can calculate their minimum required match based on BEAD funding allocated to eligible deployment projects (see section What Is Match). While Eligible Entities should provide match at the same general rate as the federal share, nothing prohibits contributing the full match up front if desired.

## Who Can Provide Match?

Eligible Entities are encouraged to require match from the subgrantee. When feasible, Eligible Entities should incentivize matches of greater than 25 percent from subgrantees. Eligible Entities are expected to follow the processes and procedures outlined in Volume II of their Initial Proposals related to how they will encourage subgrantees to provide the maximum feasible match. Match can be provided from the following sources:

- The Subgrantee;



- The Eligible Entity;
- Philanthropic Organization;
- Federal Regional Commission or Authority;
- Unit of Local Government;
- For-Profit Company;
- Utility Company;
- Regional Planning;
- Government Organization;
- Non-Profit Organization;
- Cooperative; or
- Any Combination of the Above

## How Can Eligible Entities Verify Match?

While NTIA will collect data on subgrantee match from each Eligible Entity during semi-annual reporting, the Eligible Entity is responsible for verifying match. The following list provides strategies an Eligible Entity may consider employing to confirm match from subgrantees:

### All Match

- Ensure records include the source, amount, quantity, time, and delivery of each match service.
- Retain records through the life of the grant and grant closeout.
- Ensure match submission requires a legally binding attestation.
- Consider Letters of Commitment for match and then compare actual match against stated commitments.

### Cash Match

- Request bank or financial statements, showing available and expended funding.
- Require receipts from disbursements.



## In-Kind Match

- For volunteer services where the rate must not exceed fair market value, use federal.
- Tools such as the Bureau of Labor Statistics to determine wage rate information. To the extent feasible, require similar methods to record time as an organization would for paid labor, such as timesheets and timecards.
- For reduced rates from consultants and other individuals, consider comparing current charges against standard or set labor category rates.
- For facility in-kind match verify amount against current mortgage statements or rental rates.

## High-Cost Area

- Match is not required for projects in areas designated by NTIA as “high-cost areas.” A high-cost area is an unserved area in which the cost of building out broadband service is higher, compared to the average cost of building out broadband service in unserved areas in the United States (as determined by the Assistant Secretary, in consultation with the Federal Communications Commission). Please visit the [BEAD Methodology page on BroadbandUSA](#) to view high-cost areas (as designated by NTIA).

## Match for Fixed Amount Subawards

Generally, per 2 CFR 200.201, traditional fixed amount subawards cannot be used for projects that require match. However, under BEAD, certain fixed amount subawards are allowed even though a match requirement exists, each Eligible Entity must review the terms and conditions of its award to understand how it may use this type of fixed amount subaward. The minimum requirements Eligible Entities must meet, in coordination with their subgrantees, for compliance with the BEAD Program includes:

- Subgrantee award agreements written by the Eligible Entity must include confirmation of the project’s match requirement and how the subgrantee will provide the match; and
- Match must be reported to the Eligible Entity at each project milestone and/or unit built and verified through documentation and subgrantee statements.

**Note:** Eligible Entities may choose to add additional requirements beyond the minimum.

## Using Other Program Funds as Match

Funds from other federal programs (including funds from the FCC’s Universal Service Fund programs) generally may not be used as matching funds. However, the Infrastructure Investment and Jobs Act expressly provides that matching funds for the BEAD Program may come from a federal regional commission or authority or from funds, to the extent permitted by law, that were provided to an Eligible Entity or a subgrantee for the purpose of deploying broadband service under:

- The Families First Coronavirus Response Act of 2020;
- The Coronavirus Aid, Relief, and Economic Secure (CARES) Act of 2020;
- The Consolidated Appropriations Act, 2021 or;
- The American Rescue Plan Act of 2021

Eligible Entities must consider requirements associated with other program funds used for match, and how they will impact projects. For example, if an Eligible Entity uses federal regional commission funding as a match, the project must comply with all BEAD programmatic requirements and any requirements imposed by the federal regional commission.