



Broadband Infrastructure Program

Eligible Expenses and Reimbursements Fact Sheet



U.S. Department of Commerce

National Telecommunications and Information Administration

FACT SHEET

Broadband Infrastructure Program

Eligible Expenses and Reimbursements

This fact sheet provides general guidance on the determination of allowable and unallowable costs for assets and services funded under the Broadband Infrastructure Program (BIP) of the National Telecommunications and Information Administration (NTIA). This fact sheet is not a substitute for the terms and conditions of specific BIP awards, including the Notice of Funding Opportunity (NOFO), the Department of Commerce (DOC) Financial Assistance Standard Terms and Conditions, applicable federal regulations such as those found in [Title 2, Part 200 of the Code of Federal Regulations \(CFR\)](#), and any Specific Award Conditions (SACs). Should this fact sheet and any BIP award terms conflict, the terms and conditions of a specific BIP award will apply.

Overview

By accepting the BIP award funds, the recipient agrees to fulfill the requirements mandated by the terms and conditions of the award, which are referenced in and/or attached to the recipient's grant award. Therefore, the recipient should carefully read and understand the SACs and Federal regulations referenced in and/or attached to the CD-450. Recipients must comply with Federal laws and regulations, DOC policies, Executive Orders, and Office of Management and Budget (OMB) Circulars that are incorporated into the terms and conditions of the award.

Basic financial management cost principles define any charges incurred by the Federal grant as either allowable or unallowable. Allowable costs are charges incurred by a recipient that can be covered with the BIP grant. Unallowable costs are charges incurred by a recipient that cannot be covered or reimbursed by the BIP grant.

Allowable vs. Unallowable Costs

Allowable Costs

Allowable Costs are costs consistent with the principles set out in [2 CFR Part 200, Subpart E](#), and those permitted by the grant program authorizing legislation. The fact that a cost requested in a budget is awarded does not ensure a determination of allowability. To be allowable under Federal awards, costs must be reasonable, allocable, and necessary to the project, and they must also comply with the funding statute and agency requirements (see [2 CFR § 200.403](#)).

Section J(1) of the Notice of Funding Opportunity (NOFO) outlines the eligible uses of funds for BIP. General categories of eligible uses of funds are construction, improvement, or

acquisition of facilities and equipment; long-term leases (greater than one year); engineering designs, environmental, historical, and cultural reviews, and subsequent permits; personnel costs including salaries and fringe; and other allowable costs as required to complete the executed project scope of work. This is not an exhaustive list of allowable costs, and it is always advised to consult the Federal Program Officer (FPO) and Grants Specialists with any questions about uses of funds.

Allowable Costs	
Cost Category	Examples
Cost of construction, improvement, and/or acquisition of facilities and equipment required to provide qualifying broadband service.	Trenching, aerial installation, tower construction, fiber strands, satellites, radios, switches, splitters, central office equipment, (XGS-PON equipment), cabinets
The cost of long-term leases (greater than one year) of facilities required to provide qualifying broadband service.	Admin offices, warehouses, tower space leases
Cost of engineering design, permitting and work related to environmental, historical and cultural reviews.	SHPO/THPO preparation, network engineering and design, electronics design aerial design, buried design
Personnel costs for staff and consultants required for the implementation of the program.	Grant Administrator, Environmental consultants, Historical Preservation consultants
Other allowable costs necessary to carrying out the programmatic activities of an award.	Equipment storage, inventory management, and staging

Unallowable Costs

Unallowable Costs are costs that do not meet the criteria of reasonableness, allowability, and allocability and do not comply with the funding statute and agency requirements (see 2 CFR § 200.403). Non-Federal entities must not use Federal awards or match funding for unallowable costs under the award. Per Federal grant regulations, [2 CFR § 200.1](#) (disallowed costs), “Disallowed costs means those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.”

Per Federal grant regulations [2 CFR § 200.410](#), “Payments made for costs determined to be unallowable by either the Federal awarding agency, cognizant agency for indirect costs, or

pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise.” See *also*, 2

C.F.R. 200.346, Collections of amounts due.

Section J(2) of the NOFO describes the ineligible uses of BIP funds. It is highly recommended that recipients familiarize themselves with this section of the NOFO to ensure that Federal funds are not inappropriately expended. Examples of ineligible uses include covered communications, equipment, or services as defined in Section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1608), profits and fees, and collective bargaining. This section also outlines key specific prohibitions on broadband service providers as members of the covered partnerships including repayment of loans, use as collateral for new loans, reimbursement of previously incurred costs for equipment or construction, and providing broadband services in locations used to meet the Federal Communications Commission (FCC) Universal Service Fund (USF) deployment obligation.

Unallowable Costs	
Cost Category	Examples
Purchasing any covered communications equipment or service, a profit, fee, or other incremental charge above actual cost is not an allowable cost under this program.	Charging costs to a BIP award in excess of the actual costs incurred by the recipient.
Use grant funds, directly or indirectly, to support or oppose collective bargaining.	Using BIP grant funds for the negotiation of wages for project construction employees.
Repay or make any other payment related to a loan made by any public or private lender.	Using BIP grant funds to pay loans from previous projects.
Use as collateral for a loan made by any public or private lender.	Using BIP grant funding as collateral for a loan to build broadband infrastructure beyond the scope of the BIP-funded project.
Costs incurred before your award unless pre-award costs are specifically authorized in the approved project budget.	Expensing the cost of routers purchased for a previous project that went unused and are now being used for the BIP-funded project.