



Middle Mile Grant Program Grant Recipient Handbook



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

Document Review and Approval History

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1. Introduction

Congratulations on becoming a National Telecommunications and Information Administration (NTIA) grant award recipient under the Middle Mile Grant Program (Middle Mile). Your award will be serviced by NTIA and the National Institute of Standards and Technology (NIST) Grants Management Division (GMD). Together, NTIA Federal Program Officers (FPOs) and NIST GMD Grants Officers are here to support your transition from applicant to grant recipient and provide support as you begin implementing your grant. This Grant Recipient Handbook is provided as a quick reference tool to ensure that you have information and resources on hand to successfully carry out your award in accordance with Federal and agency terms and regulations.

This Grant Recipient Handbook is for informational purposes only and is intended solely to assist grant recipients in better understanding the Middle Mile program and the requirements set forth in the award terms and conditions for this program. It does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, or the specific requirements set forth in the terms and conditions of a Middle Mile award. In all cases, statutory and regulatory mandates and the requirements set forth in the terms and conditions of a Middle Mile award, including the Notice of Funding Opportunity (NOFO), shall prevail over any inconsistencies contained in this guidance.

2. What are the key dates for the Middle Mile Program?

After the acceptance of a Middle Mile Program award, recipients should identify the award's period of performance and key deadlines based upon the award date. This information can be found in the CD-450 (Financial Assistance Award) and Specific Award Conditions (SACs) of the grant and will help to determine key dates and reporting requirements. See the chart and table below for key deadlines that should be tracked. Both the National Telecommunications and Information Administration (NTIA) and the National Institute of Standards and Technology (NIST) Grants Management Division (GMD) will send helpful reminders and your Federal Program Officer (FPO) will provide technical assistance, as needed, to ensure recipients meet the key dates listed in their SACs.

Table 1: Middle Mile Reporting

Middle Mile Reporting				
Report Type	Reporting Period	Report Deadline	Submission Method	Data Submitted
Bi-Annual Financial Report	Oct 1- March 31 April 1- Sept 30	Yearly by April 30 Yearly by October 30 during the period of performance	Form: SF-425 Federal Financial Report (FFR) Submit via NTIA Grants Portal	Performance on key financial indicators.
Bi-Annual (Technical) Performance Progress Report (PPR)	Oct 1- March 31 April 1- Sept 30	Yearly by April 30 Yearly by October 30 during the period of performance (The first PPR after award should contain project baseline information. See Reporting Instructions for additional guidance)	Form: Bi-Annual Performance Report Submit via NTIA Grants Portal	Performance on key programmatic indicators and budget.
Final Financial Report	Cumulative award period	120 days after end of project period	Form: SF-425 FFR Submit via NTIA Grants Portal	Cumulative performance on key financial indicators.
Final (Technical) Performance Progress Report (PPR)	Cumulative award period	120 days after end of project period (In addition to the elements captured in the Bi-Annual PPR, the Final PPR should describe the	Form: Bi-Annual Performance Report Submit via NTIA Grants Portal	Cumulative performance on key programmatic indicators and budget.

		programmatic objectives achieved through the funding. See Reporting Instructions for additional guidance).		
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3.What are the required documents?

Table 2: Middle Mile Required Documents

Document Type	Purpose
CD-450 (Financial Assistance Award)	The CD-450 is the official award document in which the government obligates the initial funding of an award.
CD-451 (Amendment to Financial Assistance Award)	The CD-451 is used to issue any substantive change made to an award.
SF-424C (Budget Information for Construction Programs)	The SF-424C is the standard report for budget information for construction programs. This form is submitted as a part of the application and may be requested during the life of the award in conjunction with any requests for budget revisions.
Bi-Annual Financial Report - SF-425 (Federal Financial Report)	The SF-425 is the standard form used to document financial performance for the cumulative reporting period.
Bi-Annual (Technical) Performance Progress Report (PPR)	The Bi-Annual PPR is due on a bi-annual basis for the periods ending March 31 and September 30 of each year. Reports will be due within 30 days after the end of the reporting period and include information on the technical progress achieved during the reporting period. Technical reports shall contain information as prescribed in 2 C.F.R. § 200.329 and Department of Commerce Financial Assistance Standard Terms and Conditions (dated November 12, 2020), Section A.01.
Final Financial Report - SF-425 (Federal Financial Report)	The Final SF-425 is the final federal financial report and must be submitted within 120 calendar days after the expiration of the period of performance.
Final (Technical) Performance Progress Report (PPR)	The Final PPR must be submitted within 120 calendar days after the expiration of the period of performance.

Form SF-428 (Tangible Personal Property Report)	The SF-428 is the standard report used to report all equipment purchased with an acquisition cost of \$5,000 or more. Middle Mile grant recipients use this form to report information related to tangible personal property when required by a Federal financial assistance award. This will be collected during the period of performance and in the closeout process, if applicable.
Form SF-429 (Real Property Status Report)	The SF-429 is the standard report for real property status. Middle Mile grant recipients use this form to report real property status or to request agency instructions on real property that was/will be provided as Government Furnished Property (GFP) or acquired in whole or in part under a Federal Financial assistance award. This will be collected during the period of performance and in the closeout process, if applicable.

4. What should I do first?

Figure 1: First Steps



4.1 Key Recipient Roles

Middle Mile grant recipients should be sure to designate the following key personnel roles: Authorized Organization Representative (AOR) and Project Director (PD). Recipients may also identify additional key personnel. These roles are outlined in Table 3 below.

Table 3: Recipient Key Personnel Roles

User Role	Description	Notes
Authorized Organization Recipient (AOR)	The AOR is the designated representative of the recipient with authority to act on the organization's behalf in matters related to the award and administration of grants and cooperative agreements. In signing the award agreement (CD-450) and any amendments (CD- 451), this individual agrees that the organization will assume the obligations imposed by applicable Federal statutes and regulations and other terms and conditions of the award, including applicable assurances. These responsibilities include accountability both for the appropriate use of funds awarded and the performance of the grant-supported project of activities as specified in the approved application.	• Requires an Unfunded Grant Action (UGA) to amend. • The UGAM Specific Award Conditions (SAC) provide detailed information and instructions on how to submit an UGA. Refer to the SAC for more information. • Submit changes to • UGAM@nist.gov after consulting with the FPO.
Project Director	The PD is the individual designated by the non-Federal entity, responsible for the scientific, technical, or programmatic aspects of the award and for day-to-day management of the project or program. The PD is a member of the recipient team responsible for ensuring compliance with the financial and administrative aspects of the award. This individual works closely with designated officials to create and maintain necessary documentation, including both technical and administrative reports; prepare justifications; appropriately acknowledge Federal support in publications, news programs, and other media; and ensure compliance with other Federal and organizational requirements.	• Requires a UGA to amend. • Submit changes to UGAM@nist.gov after consulting with the FPO. • The email subject line should read: • “[Award Number] – PD change request.”

Key Personnel	Key personnel include roles such as the Project Director or other designated personnel named in the award as chiefly responsible for programmatic activities conducted under the award. NIST GMD reserves the right to identify individuals as key personnel.	• Requires a UGA to amend. • Submit changes along with a resume or cover letter for the new key personnel to UGAM@nist.gov after consulting with the FPO. • The email subject line should read: • “[Award Number] – Key Personnel Change.”
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The Department of Treasury’s Automated Standard Application for Payments (ASAP) is a fully electronic system that the Department of Commerce uses to transfer money, quickly and securely, to grant recipient organizations. Federal agencies will enroll grant recipient organizations, authorize grant recipient payments, and manage grant recipient accounts. Once approved, grant recipient organizations can request payments from the ASAP account. ASAP is free for federal agencies and grant recipient organizations.

Middle Mile grant recipients will assign at least one employee the Payment Requester role in ASAP. Recipients may assign additional roles in ASAP as outlined in Table 4 below.

Table 4: Recipient ASAP Roles

User Role	Description	Notes
Payment Requestor (PR)	The PR may request funds from the recipient’s ASAP account.	At least one payment requestor must be identified in ASAP.
Point of Contact (POC) for ASAP	The POC for ASAP is responsible for adding, modifying, and deleting recipient officials in ASAP. This person’s contact information must be sent to the Grants Specialist when initiating enrollment.	This person’s contact information may be sent to the Grants Specialist when initiating enrollment.
Head of Organization (HOO)	The HOO is the recipient management official who approves or rejects the officials named by the Point of Contact. The HOO can add officials but not delete officials.	Only one person shall be designated as the HOO.

Re-Delegated Head of Organization (RHOO)	The RHOO can act on behalf of the Head of Organization to approve officials.	
Authorizing Official (AO)	The AO confirms the recipient's information and identifies users (e.g., payment requestor) who need access to ASAP.	This role is not synonymous with, and must not be confused with, the Authorized Organizational Representative identified in the award agreement.
Financial Official (FO)-ASAP	The FO enters the bank account information for the recipient.	

5 How do I drawdown funds via ASAP?

Recipients receive Middle Mile payments using the Department of Treasury's Automated Standard Application for Payments (ASAP) system. In the ASAP system, payments are made through preauthorized Electronic Funds Transfers. To receive payments under ASAP, recipients are required to enroll with the Department of Treasury, Financial Management Service, and Regional Financial Centers, which allows them to use the online and Voice Response System (VRS) method of withdrawing funds from ASAP accounts.

Middle Mile awards paid under the ASAP system will contain a program-wide SAC describing enrollment requirements and any controls or withdrawal limits set in the ASAP system.

Typically, recipients will withdraw funds through one of two methods:

- **Funding Advances:** Unless otherwise specified in the terms of the award, ASAP disburses funds to recipients through an advance or drawdown. Advances are limited to the minimum amounts necessary to meet immediate disbursement needs, but in no case should exceed the amount of cash required for a 30-day period. Recipients make requests for advances through ASAP without intervention by the Middle Mile Program Office or NIST GMD. However, the ASAP Helpdesk can assist recipients with making these requests as needed. The terms of some awards limit the types of activities for which funds can be drawn down. It is rare that all funds will be drawn down at once. Funds drawn down that are not spent in a timely manner must be returned to ASAP.
- **Funding Reimbursement:** Reimbursement is used in cases where the Middle Mile Program Office or NIST GMD has limited information about the financial soundness of a recipient, or when there are other circumstances or risk factors that indicate the need for added controls in disbursing cash. Some recipients may have reimbursement payment provisions in the original award terms and conditions, or

they may be added later through an award amendment if monitoring or compliance findings reveal financial or administrative inadequacies.

The ASAP enrollment steps must be completed by recipients within 30 days from initiation of the ASAP enrollment or the process will be terminated.

Recipients with a SAC requiring an Environmental Assessment (EA) can draw down funds from ASAP for certain costs while the EA is underway if they receive approval for a submitted six-month expenditure plan. Funds for environmental documentation can be accessed but funds for construction activities cannot be provided until the environmental documentation is completed. Subject to the Grants Officer's approval of the Recipient's 6-month expenditure plan, the allowable use of award funds prior to beginning project implementation includes, but is not limited to, activities necessary for the completion of the following:

- Pre-construction project planning, including collecting environment-related information
- Applications for environmental permits
- Studies such as an Environmental Assessment (EA), and any wetland delineations, biological assessments, archaeological surveys, or other required analyses
- Administrative costs
- Pre-award application costs
- Required consultation activities

The allowable use of funds for limited, preliminary procurements prior to beginning project implementation includes, but is not limited to, the initiation of activities necessary to meet the project completion requirements as specified in the award, including the following:

- Purchase or lease of equipment or entering binding contracts to do so
- Purchase of applicable or conditional insurance
- Funds used to secure land or building leases, including right-of-way easements

5.1 ASAP Registration

To enroll in ASAP, the grant recipient should have several pieces of information ready, including those identified in Table 6.

Table 6: ASAP Registration Information

Recipient Information Needed for ASAP Registration	
☐	Organization name and organization type. The ASAP organization profile and SAM need to align, and the Unique Entity Identifier (UEI) and Employer Identification Number (EIN) must match.
☐	Point-of-contact and title of contact
☐	Mailing address

☐	Point-of-contact email address
☐	Fax number
☐	Telephone number
☐	SAM Unique Entity Identifier
☐	EIN
☐	AO name and contact information. The HOO designates the AO. The AO defines the Recipient Organization (RO) profile and identifies the RO users (i.e., payment requestor).
☐	Financial Official (FO) name and contact information. The FO defines the banking information and links to the NTIA Agency Location Code (ALC) (13060001) and Region Code (02). The FO certifies and signs the banking information form.

5.2 ASAP Step-by-Step Tutorial

To register with ASAP, the grant recipient should:

Step 1: If the grant recipient does not yet have an ASAP account, the grant recipient should complete steps two through four below and email the following grant information to the NIST Grants Specialist.

- Recipient's organization name and organization type
- Recipient's point of contact and title of contact
- Recipient's mailing address
- Recipient's point of contact email address
- Recipient's fax number
- Recipient's telephone number
- Recipient's UEI number
- Recipient's EIN

Step 2: Within five days of sending the Grants Specialist the information listed above, the grant recipient should receive an email confirmation from ASAP along with user identification (ID). Within seven days, the grant recipient will receive a password via U.S. mail.

Step 3: Upon receiving an ASAP ID and password, log into ASAP at www.asap.gov using the user ID and password and enter the required information on the organization's officials.

- **Designated HOO:** The HOO will designate the AO and FO designees.
- **Designated AO:** The AO defines the RO profile and the RO users (e.g., primary requestor).

- **Designate FO:** The FO defines the banking information and links to the NTIA (ALC) (13060001) and Region Code (RC) (02). The FO certifies and signs the banking information form.

Step 4: Receive ASAP enrollment confirmation email. The grant recipient enrollment steps in ASAP are complete when the AO and FO designees are approved, and banking information is certified and submitted. NIST GMD will email the grant recipient to notify them that enrollment is complete and funds are available to draw down.

Recipients should use the following resources for assistance:

1. NIST Grants Officer: See the award package for contact information General guidance on the Department of Treasury’s website: <https://fiscal.treasury.gov/asap/>

Table 7: ASAP Contact Information

ASAP Contact Information			
Location	Time Zone	Phone	Business Hours
Philadelphia ASAP Regional Office	Eastern	(215) 516-8021	7:30 a.m. – 4:00 p.m.
Kansas City ASAP Regional Office	Central	(816) 414-2100	7:30 a.m. – 4:00 p.m.
San Francisco ASAP Regional Office	Pacific	(510) 594-7182	7:30 a.m. – 4:00 p.m.

6 What are Unfunded Grant Actions?

6.1 Unfunded Grant Actions (UGAs)

Middle Mile UGAs, also called Unfunded Award Requests (UARs) and Award Action Requests (AARs), are one-time or irregular events involving changes to a recipient's project, such as changes to contact information, project scope, or budget. Depending upon the type of change, a UGA may result in an amendment to the award document on Form CD-451 or an administrative change letter signed by the Grants Officer. This section describes types of acceptable project modifications and instructions for submitting a UGA.

6.2 Types of Unfunded Grant Actions

The list below describes common types of acceptable project modifications. Recipients should consult with their FPO before submitting the Middle Mile UGA request to the Grants Officer.

Only the Grants Officer can provide final approval of a UGA. Changes should be reported to the Middle Mile Program Office in accordance with 2 CFR § 200.308. It is important to note that prior approval from the Grants Officer is required to effectuate any of the below actions, although certain actions do not require the Grants Officer to issue a formal award amendment via a CD- 451.

Table 8: Middle Mile Unfunded Grant Actions

Types of Middle Mile Unfunded Grant Actions			
Action Requested	Description	Where to Process?	Amendment Required?
Changes in scope	NIST GMD may authorize changes in scope if the work being performed by the recipient as part of a grant or cooperative agreement requires altering key elements that were part of the original, approved scope of work. If the change in scope impacts the approved budget, a request for budget changes must be submitted and approved.	UGAM@nist.gov	Yes
Budget revisions (no additional funds requested)	NIST GMD may authorize budget changes and transfers of funds among SF-424C categories. The Terms and Conditions incorporated into your award dictate the level of prior approval required for budget changes and transfer of funds.	UGAM@nist.gov	Yes

Requests for no-cost extensions	NIST GMD will only grant a no-cost period of performance extension upon the Assistant Secretary's approval of such a request, based on the recipient's justification and certification consistent with Section II.B.1 of the NOFO.	UGAM@nist.gov	Yes
Changes in key personnel and PD	NIST GMD may issue an administrative letter approving the change, which will be incorporated in the next formal amendment.	UGAM@nist.gov	Yes
Change in institution name	Modification to the institutional name specified in the original or modified application.	UGAM@nist.gov	Yes
Completion of "actionable" SACs	Completion of activities required to fulfill a recipient's SACs, such as completion of an environmental assessment or resolution of a SAC.	UGAM@nist.gov	Yes
Other	Other types of UGAs not listed above may be submitted and reviewed as needed. These include, but are not limited to, award transfer, novation, and reasonable post-NOFO expenses.	UGAM@nist.gov	Consult with Grants Specialist

6.3 Unfunded Grant Action Submission Requirements and Notification

All Middle Mile UGAs begin with consultation with the Middle Mile Program Office. UGAs related to post- NOFO and pre-award expenses may be allowed if the applicant (1) incurred all expenses after the publication date of the NOFO and before the issuance of the grant award from NTIA; (2) clearly defined pre-award expenses in the proposed budget; and (3) received an award pursuant to Middle Mile Program. The total amount of these expenses must not exceed \$50,000 and cannot include lobbying or contingency fees.

Before submitting a UGA, the recipient should contact the FPO and Grants Specialist for assistance in determining the type of UGA that is needed.

The recipient submits a UGA by email to UGAM@nist.gov. Then, the NIST GMD reviews the request with input from the FPO and notifies the recipient by email of the approval or rejection of the request within 30 calendar days, if no additional revisions by the recipient are required. All UGAs must be submitted to the Unfunded Grant Actions Mailbox (UGAM) prior to the award end date. After the closeout period has expired, 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 Middle Mile Program.

Figure 2: UGA Submission Process

To submit a UGA, recipients should do the following:

1. Consult with the FPO to determine which type of UGA should be submitted.
2. Once a recipient has consulted with their FPO and determined the proper UGA to submit, the recipient must submit an email to UGAM@nist.gov with the subject line containing the following:
 - Recipient Name
 - Award #
 - Project Director
 - Action to be taken
3. NIST GMD will confer with the FPO and render a final decision on the UGA request via CD-451 or Admin Letter.

6.3.1 Change in Project Scope

Recipients must report any programmatic changes, which often include changes in scope, to NIST GMD (2 CFR § 200.308). To ensure compliance, the recipient is encouraged to always discuss potential or anticipated changes with the FPO and NIST prior to initiating a change. All approved changes, or minor deviations should be discussed in your progress

reports. Not all requests are guaranteed to be approved due to program requirements, funding, regulation, and other restrictions.

Any changes in scope or major programmatic changes require a written request and approval. Actions likely to be considered a change in scope (and therefore require pre-approval) include but are not limited to a change or shift in the specific goals, objectives, or project areas approved at the time of the award.

A request for a change in scope must include a justification for the change and a revised project plan and budget narrative. Often a budget change is also required to either re-allocate or move funds between direct line items. You are encouraged to submit as much supporting documentation as necessary to substantiate the request.

Requests must be submitted in writing, via email, to UGAM, or as identified in the Specific Award Conditions by either the AOR or the PD.

Changes in the project scope or other major programmatic changes must not be implemented until the recipient receives approval (CD-451 Amendment) from NIST GMD. The recipient must repay any Federal funds expended relating to an unauthorized change in scope. Certain changes, or repetitive noncompliance, may result in additional enforcement actions. Always discuss any modifications, no matter how minor, with your FPO and Grants Specialist in advance to prevent an inadvertent change in scope.

The content and extent of the change will dictate the notification process. All changes in scope must be issued via a CD-451 Amendment with the change(s) included. Typically, one amendment will address all requested changes (e.g., programmatic, budget, etc.). Requests for a change of scope must be reviewed just as thoroughly as the original proposal. Therefore, approval may take considerable time and is never guaranteed.

6.3.2 Budget Revisions (no additional funds requested)

The Terms and Conditions incorporated into your award dictate the level of prior approval required for budget changes and transfers of funds. In all instances, a recipient must receive prior approval from the Grants Officer to create a new budget category of any amount and for a revision requiring any additional funds. Requests for prior approval must be reviewed by the Grants Officer who must make the final determination on such requests and notify the non-Federal entity in writing. While budget revisions are a routine occurrence over the course of the grant lifecycle, recipients are encouraged to gather the required materials and share them with their FPO for an initial review before submission to UGAM@nist.gov.

If the Federal share of the award is greater than the simplified acquisition threshold (\$250,000), the recipient must receive approval, in writing, from the Grants Officer unless each of the following applies:

- The requested transfer is between existing direct budget categories
- The aggregate of all transfers (previous and current request) is less than 10% of the total budget approved by the Grants Officer. The total budget is the total Federal and non- Federal funds most recently approved by the Grants Officer.
- The request must be submitted by the AOR to UGAM@nist.gov, or as identified in the Specific Award Conditions. The request must include the following elements:
- Justification describing why the budget change is necessary and any programmatic implications resulting from the change.
- A revised budget narrative. This may be included as part of the justification.
- A revised SF-424C, which is consistent with your original application.

Any new activity not included in the original award would need to be submitted and approved by the Grants Officer as a “change in scope.” If the change in scope impacts the approved budget, a request for budget changes must be submitted and approved. These requests can be done in one step by submitting a request in writing via email to the UGAM, or other portal identified in the Specific Award Conditions.

6.3.3 Requests for no-cost extensions

Requests for no-cost extensions must be submitted at least 30 days prior to the expiration of the award. NIST GMD may authorize a one-time extension to the expiration date of the award for up to 12 months if additional time beyond the established award end date is required to assure adequate completion of the approved scope of work. No additional funds shall be authorized as part of a no-cost extension that may only be granted at the sole discretion of the Assistant Secretary based upon the requester’s justification and certification that one of the three conditions below is met.

Please note that an Eligible Entity may request an extension of the five-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 five-year deadline; (2) the construction project is underway; or (3) extenuating circumstances require an extension of time to allow the project to be completed.

Each Eligible Entity must develop a process by which subgrantees may request extensions and provide documentation about the qualifying circumstance that warrants the extension, which are outlined above and in Middle Mile NOFO, Section II.B.1.

Requests must include a letter or document outlining the need for a no-cost extension with the following required information:

- No-cost extension request signed by the AOR
- A certification that one of the three conditions in Section II.B.1 of the NOFO exists

- A detailed explanation of why the project could not be completed by the approved end date
- Description of the project activities that require support during the extension
- A statement that no further delay is reasonably anticipated and that the project can be completed within the revised time schedule
- Revised period of performance
- Budget Form (SF-424C) and a detailed budget narrative by direct cost category for the remaining balance of funds to be carried over

Please note that the narrative description of all remaining work to be completed **MUST NOT** include any new work that was not included in the most currently approved scope of work. Any new work will be denied.

The no-cost extension request (or notification of extension if you have expanded authority) must be submitted in writing by the AOR via email to the UGAM, or as instructed in the SACs, no later than 30 days before the project end date.

6.3.4 Changes in key personnel and PD

In accordance with 2 CFR § 200.308 certain changes in key personnel or PD require approval from the Grants Officer. Recipients must discuss any changes with your NIST Grants Specialist and FPO as soon as possible. A request to change the official PD or Key Personnel must be submitted via email to the UGAM, or as designated in the Specific Award Conditions. The request for a change in PD or Key Personnel is not approved until the Grants Officer issues written approval.

7 What are my award compliance requirements?

By accepting the Middle Mile award funds, the grant recipient agrees to fulfill the reporting and other requirements mandated by the terms and conditions of the award, including those mandated by Federal regulations, Standard Terms and Conditions, and SACs. Therefore, the grant recipient should carefully read and understand these terms and conditions, as referenced in and/or attached to the CD-450 and its award package. 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. Consistent with the statutory purposes of Middle Mile and according to DOC regulations and authorities, NTIA makes specific requirements with which the grant recipient must comply for any post- award modification.

7.1 Allowable vs. Unallowable Costs

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

program that can be covered with the Middle Mile grant. Unallowable costs are charges incurred by a project that cannot be covered or reimbursed by the Middle Mile grant.

Allowable costs are those costs consistent with the principles set out in 2 CFR Part 200 Subpart E, and those permitted by the grant program authorizing legislation and NOFO.

The fact that a cost requested in a budget is awarded does not ensure a determination of allowability. The organization is responsible for consistently presenting costs. To be allowable under Federal awards, costs must be reasonable, allowable, necessary, and allocable to the project, and they must also comply with the funding statute and agency requirements (see 2 CFR § 200.403). “A list of non-exclusive examples for the use of Middle Mile Program Funds can be found below:

- Construction, improvement, and/or acquisition of facilities and telecommunications equipment required to deploy middle mile broadband facilities
- Engineering design, permitting and work related to environmental, historical, and cultural reviews
- Personnel costs, including salaries and fringe benefits for staff and consultants required for the implementation of the Middle Mile Grant Program (such as project managers, program directors, subject matter experts, grant administrators, financial analysts, accountants, and attorneys)
- Reasonable, post-NOFO, pre-application expenses in an amount not to exceed \$50,000. Pre-application expenses, which include expenses related to preparing an application, may be reimbursed if they are incurred after the publication date of this NOFO and prior to the date of issuance of the grant award from NTIA, except that lobbying costs and contingency fees are not reimbursable from grant funds. These costs should be clearly identified in the proposed project budget and must be approved by NTIA and the Grants Officer in writing to be considered allowable. Additionally, pre-application costs are incurred at the sole risk of the applicant and will not be reimbursed by NTIA if the proposed project does not receive an award pursuant to this program
- Other costs necessary to carrying out programmatic activities of an award, not to include ineligible costs described below in Section IV.I.2 of this NOFO.

Unallowable costs are those costs that do not meet the criteria of reasonableness, allowability, necessity and allocability or are explicitly not allowed per the award terms and conditions and/or a Specific Award Condition (SAC) (e.g., a SAC which prohibits preapplication cost reimbursements as the total amount is over \$50,000.).

Additionally, recipients must not use Federal awards or match funding for unallowable costs under the award. Per 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.*”

It is important that each Middle Mile grant recipient applies the allowable cost test when deciding on spending grant funds. Per 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 CFR § 200.346, Collection of amounts due.

The Middle Mile Program Notice of Funding Opportunity (NOFO) also outlines the ineligible uses of funds for Middle Mile. 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. Middle Mile grant recipients are advised to consult the FPO and Grants Specialist with any questions about uses of funds.

7.2 Specific Award Conditions (SACs)

NIST GMD and NTIA may impose additional SACs in accordance with 2 CFR § 200.208, or take other appropriate actions when the FPO determines that the specific conditions or actions are necessary to:

- Require a change or action that will remedy current non-compliance or reduce the risk of future noncompliance; or
- Help to ensure a Middle Mile recipient’s success in implementing its project in accordance with the terms and conditions of a Middle Mile award.

A recipient's failure to comply with the SACs may cause the NIST GMD and NTIA to take one or more actions depending on the severity and duration of the non-compliance in accordance with applicable statutes, regulations, and policies. Depending on the specific circumstance, NIST GMD and NTIA may allow the grant recipient to correct the deficiencies prior to acting; however, even if a recipient is taking corrective action, NIST GMD and NTIA may take proactive actions to protect the Federal Government’s interest in the award. They may also take actions designed to prevent future non-compliance, such as additional monitoring activities.

7.3 Buy America Domestic Content Procurement Preference (Buy America Preference)

The Build America, Buy America Act (BABA) was enacted as part of the Infrastructure Act. BABA requires that all of the iron, steel, manufactured products, and construction materials used in a grant-funded infrastructure project are produced in the United States, unless a waiver applies.¹

BABA applies to “non-Federal entities” receiving Federal financial assistance for an infrastructure project under Section 70912(4) of the Infrastructure Act. As clarified by the Office of Management and Budget (OMB) BABA guidance released in April 2022, under the definition in 2 CFR § 200.1, “non-Federal entities” means “States, local governments, territories, Indian tribes, Institutions of Higher Education (IHE), and nonprofit organizations.”² The OMB memo goes on to explain that “for-profit organizations are not considered non-Federal entities” for the purposes of the guidance.³

Thus, BABA requirements only apply to MMG recipients that are non-Federal entities. These entities must comply with all BABA requirements unless a waiver applies. NTIA granted a targeted and limited waiver on April 19, 2023 for manufactured products incorporated into MMG Program funded middle mile broadband infrastructure (the waiver does not apply to optical fiber or fiber optic cable).⁴ The waiver covers all MMG Program awards made between March 1, 2023, and March 1, 2024.⁵

MMG recipients to whom the waiver applies must report on their purchases of items from foreign sources. NTIA will issue detailed follow-on guidance regarding this reporting requirement.

It is the responsibility of each MMG recipient covered by BABA to ensure that all of the iron, steel, manufactured products, and construction materials used in their MMG-funded infrastructure project are produced in the United States. In certain circumstances, MMG recipients may take advantage of the limited waiver discussed above, consistent with the specific items covered by the waiver and with the waiver’s reporting requirements. NTIA will issue detailed follow-on guidance for MMG recipients regarding compliance with these BABA requirements.

¹ Infrastructure Act, §§ 70912(2), 70914(b).

² OMB Memorandum M-22-11, Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure, 3 (Apr. 18, 2022), <https://www.whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf>.

³ See *id.*

⁴ See NTIA, Limited Applicability Nonavailability Waiver of the Buy America Domestic Content Procurement Preference as Applied to Recipients of Middle Mile Grant Program Awards (signed Apr. 19, 2023), <https://www.commerce.gov/sites/default/files/2023-04/NTIA%20Middle%20Mile%20Final%20Waiver.pdf>.

⁵ However, OICG will review this waiver no less than every six months from the date on which the waiver is issued to assess whether it remains necessary to the fulfillment of NTIA’s missions and goals and consistent with applicable legal authorities, such as the IJA, Executive Order 14005, and OMB-22-11.

7.4 Classification of Costs

Direct Costs: Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Examples of direct costs include salaries and fringe benefits for grant personnel, program coordination and project execution, equipment required to administer the program, office supplies, and postage. See 2 CFR 200.413 for additional information on direct costs.

Indirect Costs: Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs. Examples of indirect costs include depreciation of facilities, facility occupancy costs, general liability insurance, general legal services, taxes, rent and utilities, indirect salaries, and accounting fees. See 2 CFR 200.414 for additional information on indirect costs.

It is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect (F&A) cost to avoid possible double-charging of Federal award.

7.5 Records Retention Requirements

After the period of performance has ended, supporting documentation, financial records and other documents may be subject to future review. Middle Mile grant recipients must provide NIST GMD, NTIA, and the Office of the Inspector General (IG), access to all records that are relevant to the Federal award and making audits, examinations, and transcripts. NIST GMD and NTIA will provide advance notice in a timely and reasonable manner to allow the grant recipient time to engage in interviews and discussions related to the award documentation (2 CFR § 200.337). Middle Mile records must be retained by the grant recipient in accordance with the requirements contained in 2 CFR § 200.334.

Figure 3: Records Retention

Middle Mile grant recipients are advised to retain the following award documents after closeout; including, but not be limited to:

- Award package
- Financial records
- Evidence of program accomplishment
- Progress reports
- Audit follow-up records
- Monitoring records
- Written determinations and pre-approvals between NIST GMD, NTIA, and Middle Mile recipient
- Records supporting all costs charge to the award
- Procurement records
- Subawards issued by the recipient and all documentation supporting the management and oversight of the subawards
- Final closeout letter
- Record of reconciliation
- Property disposition forms

7.6 Single Audit Requirements

A Single Audit is when a qualified auditor assesses a recipient's financial management processes, including financial management system and compliance, with the Federal grant requirements of the respective program. A Single Audit is one audit comprising all the grant recipient's Federal grants. The purpose is to ensure that recipients receiving Federal grant funds use the funds in compliance with the government's requirements. It was created to promote sound financial management, uniform guidelines for audits, and efficiently deploy audit resources. This cost-effective option replaces the need for the Federal government to audit the same recipient multiple times for different Federal awards.

The audit requirements for Middle Mile awards are found in 2 C.F.R. Part 200, Subpart F, adopted by the Department of Commerce through 2 C.F.R. § 1327.101, and are incorporated by reference into every Middle Mile award.

Specifically, recipients that are subject to the provisions of Subpart F of 2 CFR Part 200, that expend \$750,000 or more in a year in Federal awards during their fiscal year, must have an audit conducted for that year in accordance with the requirements contained in Subpart F of 2 CFR Part 200.

Within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a different period is specified in a program specific audit guide, a copy of the audit must be submitted electronically to the Federal Audit Clearinghouse (FAC) through the FAC's Internet Data Entry System (IDES) (<https://harvester.census.gov/facides/>). In accordance with 2 C.F.R. § 200.425 (Audit services), the recipient may include a line item in the budget for the allowable costs associated with the audit, subject to the approval of the Grants Officer.

Unless otherwise specified in the terms and conditions of the award, entities that are not subject to Subpart F of 2 C.F.R. Part 200 (e.g., for-profit entities, foreign public entities and foreign organizations) and that expend \$750,000 or more in DOC funds during their fiscal year (including both as a recipient and a subrecipient) must submit to the Grants Officer either: (i) a financial related audit of each DOC award or subaward in accordance with Generally Accepted Government Auditing Standards (GAGAS); or (ii) a project specific audit for each award or subaward in accordance with the requirements contained in 2 C.F.R. § 200.507.

Within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a different period is specified in a program-specific audit guide, a copy of the audit must be submitted to the Grants Officer. In accordance with 2 C.F.R. § 200.425, the grant recipient may include a line item in the budget for the allowable costs associated with the audit, which is subject to the approval of the Grants Officer.

Entities that are not subject to Subpart F of 2 C.F.R. Part 200, and that expend less than \$750,000 in DOC funds in a given fiscal year, are not required to submit an audit(s) for that year but must make their award-related records available to DOC or other designated officials for review and audit.

Generally, the objectives of a Single Audit are to determine if the grant recipient receiving Federal funds has engaged in the following activities:

Established an accounting system with adequate internal controls that provide full accountability for revenues, expenditures, assets, and liabilities.

Prepared financial statements which are presented fairly and in accordance with generally accepted accounting principles (GAAP).

Submitted financial reports (including Federal Finance Reports), cash reports, and claims for advances and reimbursements contain accurate and reliable financial data and are presented according to the terms of applicable agreements.

Expended Federal funds in accordance with the terms of award agreements and those provisions of Federal law or regulations that could have a material effect on the financial statements or the awards tested.

When a recipient has an audit finding, it must develop a Corrective Action Plan to respond to each finding. The Corrective Action Plan must provide the name(s) of the contact person(s) responsible for the plan, corrective action planned, and the anticipated completion date. If the grant recipient disagrees with the findings, the grant recipient must provide an explanation and specific reasons for disagreement in its Corrective Action Plan.

7.7 Internal Controls

Internal controls are the processes and systems through which recipients ensure that they operate effectively, accurately handle their finances and accounting, report reliable data, and comply with their policies and procedures, and applicable laws and regulations. Internal controls detect fraud, waste, abuse, and mismanagement of Federal funds. Grant recipients must establish and maintain effective internal controls over the Federal award, thereby providing reasonable assurance that its awards are managed in compliance with Federal statutes and the terms and conditions of the award (see 2 CFR § 200.303(a)).

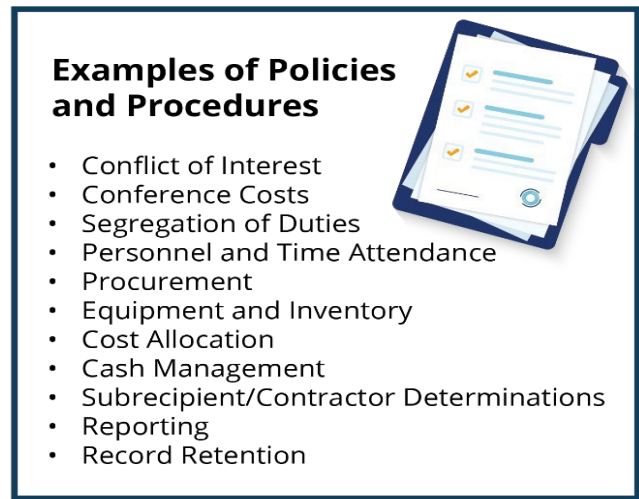
A system of internal control includes written policies and procedures designating specific roles for various individuals. Separation of duties is a critical component of effective internal control, e.g., someone other than the person posting transactions should reconcile bank accounts.

Someone who does not reconcile should always review the reports. To ensure effective internal controls, no individual should perform two consecutive tasks in an accounting procedure. Grant recipients can plan for a separation of duties by developing a chart with each step of the accounting procedure for a specific area, such as cash receipts or payroll. Each accounting procedure should be developed to ensure that no individual is assigned two consecutive tasks.

Middle Mile grant recipients' internal control plans should consist of five key elements:

- (1) control environment
- (2) risk assessment
- (3) control activities
- (4) information and communication
- (5) monitoring activities.

Figure 4: Procurement Policies



To ensure effective internal controls are in place, recipients should plan to develop policies and procedures to capture compliance with 2 CFR § 200.303(a).

7.8 Program Income

Program income means “gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance.” To ensure allowability, a Middle Mile grant recipient must track and spend program income in an allowable manner. Generally, recipients are encouraged to earn income to defray program costs where appropriate (2 CFR § 200.307). Program income includes, but is not limited to, income from fees for services performed; the use or rental of real or personal property acquired under Federal awards; the sale of commodities or items fabricated under a Federal award; license fees, and royalties on patents and copyrights; and principal interest on loans made with Federal award funds.

Program income does not include rebates, credits, discounts, and interest earned on them. Nor does it include interest earned on advances of Federal funds or the sale of real property, equipment, or supplies. Program income must be treated the same as Federal funds and spent on project-related activities approved in the Federal grant award. Program income cannot be used to purchase anything considered unallowable. For example, if food is an unallowable expense, program income cannot be used to purchase food.

Unless otherwise provided by the terms of a Middle Mile award, if the project generates program income, program income may be used for any required cost sharing or added to the project budget.

All program income generated by an award must be reported in the bi-annual financial status reporting and demonstrate that it aligns with requirements detailed in SACs and the Middle Mile NOFO.

7.9 Procurement

Procurement is the process of obtaining goods and services for a Middle Mile grant recipient or subrecipient organization. As part of procurement, grant recipients and subrecipients select vendors and establish the payment terms. When used correctly, procuring goods or services can help the organization implement a successful project or program.

General procurement requirements for recipients and subrecipients are found in 2 CFR § 200.317-200.327. The regulations require that procurement activities be performed in an equitable and competitive manner to promote equal treatment, efficiency, and economy in Federal grant activities. To ensure objective contractor performance and eliminate an unfair competitive advantage, contractors should be excluded from competing for such procurements if they develop or draft grant applications or contract specifications,

requirements, statements of work, invitations for bids, and/or requests for proposals. In addition, recipients should have an internal control or documented process to check for organizational conflict of interest with potential contractors. The Uniform Guidance sets strict requirements around procurement and guarding against conflicts of interest that can occur when purchasing goods and services under federally funded grants and contracts.

Figure 5: Procurement Tips

Tips for Successful Procurement

- Make reasonable requirements for the competitive purchases. For example, do not require excessive experience or bonding.
- Pay attention and avoid possible entity conflicts of interest, such as buying goods from a family member. Compare price, quality, and/or performance of “brand” name items with equivalent items.
- Learn about (and practice) checking the debarment list.
- Compare lease to purchase costs for equipment; sometimes leasing is more economical.

7.10 Property and Equipment

As defined in the Department of Commerce Grants and Cooperative Agreements Manual, real property means land, including land improvements, structures, and appurtenances thereto, but excludes moveable machinery and equipment. Except as otherwise provided by Federal statutes or by the Federal awarding agency, real property will be used for the originally authorized purpose, as long as needed for that purpose, during which time the recipient must not dispose of or encumber its title or other interests.

Recipients must submit reports using Form SF-429 (Real Property Status Report) or any successor form, including appropriate attachments thereto, at least annually, disclosing the status of real property that is federally-owned property or real property in which the Federal Government retains a Federal Interest, unless the Federal Interest in the real property extends 15 years or longer.

In cases where the Federal Interest attached is for a period of 15 years or more, the DOC or pass-through entity (i.e., the recipient that provides a subaward to a subrecipient to carry out part of a Federal program), at its option, may require the recipient to report at various multi- year frequencies (e.g., every two years or every three years, not to exceed a five-year reporting period; or, the DOC or pass-through entity may require annual reporting for the first three years of a Federal award and thereafter require reporting every five years).

In addition, DOC or a pass-through entity may require a recipient to submit Form SF-429, with appropriate attachments, relating to a recipient's request to acquire, improve or contribute real property under a DOC financial assistance award. Recipients wishing to dispose of real property acquired or improved, in whole or in part, pursuant to a DOC award must request disposition instructions, including the submission of Form SF-429, with appropriate attachments, from the Grants Officer in accordance with the requirements set forth in 2 C.F.R. § 200.311(c).

Tangible personal property means property of any kind that has physical existence and includes equipment and supplies. It does not include copyrights, patents, or securities. Property may be provided by NTIA or acquired by the grant recipient with award funds. Federally-owned property consists of items that were furnished by the Federal government.

Equipment includes tangible personal property (including information technology systems) having a useful life of more than one year and per-unit acquisition costs that equal to or exceed \$5,000. A computing device is a supply if the acquisition cost is less than \$5,000, regardless of the length of its useful life.

Equipment must be used for the authorized purposes of the project during the period of performance or until the property is no longer needed for the purposes of the project.

Recipients may use the equipment for the program or project for as long as needed, whether the project or program continues to be supported by the Federal award. DOC or a pass-through entity may also require a recipient to submit periodic reports using Form SF-428 (Tangible Personal Property Report) or any successor form, including appropriate attachments thereto, concerning tangible personal property that is federally owned or tangible personal property in which the Federal Government retains an interest.

In addition, DOC or a pass-through entity may require a recipient to submit Form SF-428 in connection with a recipient's request to dispose of tangible personal property acquired under a DOC financial assistance award. Recipients wishing to dispose of tangible personal property acquired or improved, in whole or in part, pursuant to a DOC award must request disposition instructions, including the submission of Form SF-428, with appropriate attachments, from the Grants Officer in accordance with the requirements set forth in 2 C.F.R. § 200.313(e).

The Grants Officer may require a recipient (i.e., a Recipient or Subrecipient) to execute and to record (as applicable) a statement of interest, financing statement (Form UCC-1), lien, mortgage, or other public notice of record to indicate that real or personal property acquired or improved in whole or in part pursuant to a Middle Mile award is subject to the Federal Interest, and that certain use and disposition requirements apply to the property.

The statement of interest, financing statement (Form UCC-1), lien, mortgage or other public notice must be acceptable in form and substance to NTIA and to NIST GMD and must be placed on record in accordance with applicable State and local law, with continuances re-filed as appropriate. In such cases, the Grants Officer may further require the recipient to provide NTIA and NIST GMD with a written statement from a licensed attorney in the jurisdiction where the property is located, certifying that the Federal Interest has been protected, as required under the award and in accordance with applicable State and local law. The attorney's statement, along with a copy of the instrument reflecting the recordation of the Federal Interest, must be promptly returned to the Grants Officer. The recipient may use model documentation made available by NTIA.

In some cases, a recipient may wish to sell, lease, or transfer a Middle Mile Program Asset to another party that is willing to commit to use them for the purposes of the award. If such a transaction is proposed prior to the end of the performance period, the recipient must notify NTIA and the NIST Grants Officer and request prior approval. After closeout of the award, the property holder is responsible for notifying NTIA and the NIST Grants Officer and requesting prior approval of the transaction.

The sale, lease, or transfer of Middle Mile Program Assets during their useful life is prohibited unless NTIA and the NIST Grants Office approve the transaction. NTIA will issue follow-on guidance regarding the useful life of Middle Mile Program Assets. Recipients may always contact their FPO for additional clarification on the useful life of Middle Mile Program Assets. This restriction applies to all transactions that change title to the assets, including, but not limited to, a transfer to an affiliated entity (parent company, subsidiary, fully co-owned entity, or related government department). Accordingly, a recipient must notify NTIA and NIST of any such transaction and the recipient must receive NTIA and NIST approval before executing such a transaction.

However, this restriction does not apply to a change of control, such as a stock sale, that does not change the title to the property. After the end of the performance period, a recipient is not required to notify NTIA and NIST of such changes in control.

8 What are the requirements if I have subrecipients?

Recipients are required to have policies and procedures for monitoring all subrecipients (2 CFR§ 200.332). Subrecipient performance is measured against the objectives of the program, responsibility for programmatic decision making, adherence to applicable program compliance requirements, and uses of Federal funds to carry out their portion of the programmatic effort of the project.

Including a subrecipient monitoring policy as part of a recipient's financial management policies and procedures is necessary to ensure all Federal dollars are utilized for

authorized purposes in compliance with applicable laws, regulations, and provisions to complete the objectives of the funded project. The procedures to implement the policy include making legal agreements with subrecipients and using a formal subrecipient monitoring plan.

To ensure that there is compliance between the pass-through entity and subrecipient, an agreement must be in place. It is important that each party signs the agreement. An effective agreement is required to include all elements identified in accordance with 2 CFR § 200.332, some of which include:

- Subrecipient name (which must match the name associated with its unique entity identifier from SAM.gov)
- Subrecipient's unique entity identifier (UEI)
- Federal Award Identification Number (FAIN)
- Federal Award Date (i.e., date when the Federal award is signed by the authorized official of the Federal awarding agency)
- Subaward Period of Performance Start and End Date
- Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient
- Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation
- Total Amount of the Federal Award committed to the subrecipient by the pass-through entity
- Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)
- Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity
- Assistance Listings (formerly Catalog of Federal Domestic Assistance) number and Title
- The pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement
- Identification of whether the award is R&D
- Indirect cost rate for the Federal award (including if the de minimis rate is charged) per 2 CFR § 200.414
- All requirements imposed by the pass-through entity (i.e., Eligible Entity) on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulation and the terms and conditions of the Federal award
- Any additional requirements that the pass-through entity imposes on the subrecipient for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports.

As a best practice, monitoring plans include a tool for assessing the risk of the subrecipient's compliance with the agreement and a detailed list of monitoring activities.

Risk assessment begins with determining the subrecipient's risk of not meeting the grant award terms and conditions, including all Federal rules and regulations associated with grant management. The table below is an example of a risk assessment.

Table 9: Risk Assessment Table

Recommended Assessment of Risk Levels	Low Risk	Medium Risk	High Risk
	Less than \$1M in pass through dollars Experienced subrecipient with no prior performance issues	New to the program Turnover in key staff positions Previous compliance or performance New or substantially changed system More than \$1M but less than \$10M in pass through dollars	\$10M or more in pass through dollars requires a review of the subrecipient's single audit
Minimum Recommended Monitoring Schedule	2 times/year	Quarterly	Monthly

9 What are the requirements if I have a contractor?

A contract is the formal agreement mechanism used to capture a legally binding relationship between buyers and sellers of goods and services and forms a procurement relationship between them. The goods and services are for the recipient's own use. Per 2 CFR 200.331, characteristics indicative of a procurement relationship between the recipient and a seller of goods and services e.g., a contractor, are when the contractor:

- Provides the goods and services within normal business operations
- Provides similar goods or services to many different purchasers
- Normally operates in a competitive environment
- Provides goods or services that are ancillary to the operation of the Federal program
- Is not subject to compliance requirements of the Federal program resulting from the agreement, though similar requirements may apply for other reasons.

In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

The recipient is responsible for ensuring that it includes applicable DOC compliance provisions, as contained in the Terms and Conditions of the award, including the contract provisions required by 2 CFR § 200.327 (Contract provisions), in all contracts let by the grant recipient under a DOC award. The recipient is also responsible for ensuring that, in turn, each contractor under a DOC award includes the applicable DOC compliance provisions in all subcontracts awarded under the prime contract. Additionally, the grant recipient must ensure that each contractor and subcontractor agree to comply with all applicable Federal, state, and local requirements pertaining to the project.

10 How will NTIA monitor grants and provide Technical Assistance?

10.1 What are my Performance (Technical) and Financial Reporting Requirements?

Under 2 CFR § 200.329(a), the grant recipient is responsible for oversight of the operations of the Federal award supported activities. As a recipient receiving Federal funds, it is the grant recipient's responsibility to ensure that all reports are submitted timely, documents are maintained properly, and, if questions arise pertaining to the grant, FPOs are immediately contacted for further guidance. 2 CFR § 200.329(a) states: "The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function, or activity."

Middle Mile grant recipients are required to follow the reporting guidelines as identified in the SACs associated with the award. Middle Mile grant recipients will submit Bi-Annual Financial Reports, Bi-Annual Performance Progress Reports, a Final Financial Report, and a Final Performance Progress Report as outlined in the SACs and Middle Mile NOFO (see section VI.E. of NOFO for more information). As part of the initial submission for the Bi-Annual Performance Progress Report, recipients will be required to complete expected Start Date, End Date, Duration and expected progress for each bi-annual reporting period, as evidenced by planned cumulative expenditure, for the provided project milestones. The information provided in the baseline section will complement the actual project information submitted by the recipient for each bi-annual reporting period during subsequent reporting periods until project close-out.

NTIA is required to review the submission of Performance Progress Reports. NTIA ensures that the reports are submitted on time and demonstrate how the grant recipient has carried out the grant. The Performance Progress Reports should document that all program requirements are fulfilled by the grant recipient. NTIA compares the Performance

Progress Report to the financial report to assess whether reported spending areas align with the activities performed. **Initial extension requests for required reports should be submitted to the Grants Specialist associated with your award. Any additional extension requests must be submitted to, reviewed, and approved by the Grants Officer associated with your award.**

NTIA and NIST will review costs incurred with drawdowns to ensure both sets of documentation match. In addition, the financial reports are reviewed for alignment with the proposed budget and, to the extent possible, for compliance with Federal cost principles.

All recipient-submitted documents shall be made available to the public through the internet, excluding funding requests and associated supporting documentation. Middle Mile grant recipients may coordinate with their FPO to determine which information is non-sensitive and eligible to share publicly. There will be a fully searchable database, accessible on the internet at no cost to the public, that contains information sufficient to allow the public to understand and monitor grants and subgrants awarded under Middle Mile.

Two of the most common programmatic and financial monitoring engagement activities are desk reviews and site visits.

10.2 Desk Reviews (virtual) and Site Visits (in-person)

Desk reviews focus on the relevant documentation and financial systems surrounding a grant program. Typically conducted virtually, desk reviews facilitate and produce an evaluation of the grant recipient's capacity to manage their award and may serve as a preliminary step prior to a site visit.

Site visits typically occur at the grant recipient's office or program location and provide an opportunity for the Federal award agency to meet with key personnel, program partners and review the capacity, performance, and compliance of the grant recipient. Site visits allow NTIA access to the offices and facilities, documentation, financial records, physical assets, written policies and procedures, audit compliance records, and internal controls. All recipients are eligible to participate in a site visit.

For desk reviews and site visits, all staff who work on the grant must be available for the entrance and exit conferences or interviews, as NTIA may have specific questions for the subject matter experts pertaining to the grant. For example, NTIA may have a specific question regarding the budget or expenditures. The grant program's financial manager will need to be present to answer those questions.

During desk reviews and site visits, NTIA examines the grant recipient's compliance with all aspects of the Uniform Guidance, program guidelines, and any additional administrative

requirements placed on the award. NTIA will review the grant recipient's administrative policies and procedures, which may include:

- **Internal controls:** Key controls, documented business processes, and policies and procedures governing business cycles involved in award execution.
- **Accounting systems:** Sampling may be conducted, which would involve sampling transactions included in the financial reports. NTIA may request expenditure source documentation such as canceled checks, paid bills, and payroll.
- **Allowability:** Written procedures for determining the allowability of costs will be examined. In addition, sample transactions in recent financial reports to look for documentation supporting each transaction's compliance with internal policies and procedures and the requirements at 2 CFR § 200.403 that costs are necessary, reasonable, and allocable to Federal awards.
- **Procurement system:** NTIA will most likely review a sample of procurements to ensure that the procurement requirements of 2 CFR § 200.317–200.327 have been met.
- **Inventory process:** NTIA may review the grant recipient's property management and inventory controls.
- **Audit resolution process:** NTIA will confirm and review any required audits and review a copy of the most recent audit report. If there are audit findings, NTIA may request a copy of any corrective action plans submitted, any records detailing the implementation of the corrective action plan, and any records demonstrating resolution of the underlying concern.
- **Records retention:** NTIA will confirm if the grant recipient has or follows any policies and procedures governing the retention of records and that those policies and procedures meet the minimum Federal requirements (2 CFR § 200.334).

If an organization is selected for a desk review or site visit, it is critical to have the necessary documentation organized and readily available, as NTIA may request it for review. The following table includes a checklist of documentation that may be requested.

Table 10: Example Monitoring Checklist

Documentation	Yes	No	Uncertain	Comments
Organizational Charts	☐	☐	☐	
Description of accounting system and chart of accounts	☐	☐	☐	
Copies of written policies and procedures	☐	☐	☐	

Financial reports from the grant recipient's accounting system and supporting payment requests and reported expenditures	☐	☐	☐	
Employee handbook	☐	☐	☐	
Current negotiated indirect cost rate agreement	☐	☐	☐	
Most recent single audit report (if applicable)	☐	☐	☐	
Standard Award and Specific Award Conditions	☐	☐	☐	
Buy America Domestic Content Procurement Preference (Buy America Preference)	☐	☐	☐	
Records of payments and reported expenditures	☐	☐	☐	
Evidence of budget or scope changes	☐	☐	☐	
Records supporting actions required in specific conditions	☐	☐	☐	
Records of necessary prior approvals	☐	☐	☐	
Results and status of audits or monitoring reviews that have been conducted on the grant recipient's award	☐	☐	☐	

At the conclusion of a monitoring engagement, the grant recipient and NTIA will review any findings or compliance issues and confirm recommended corrective actions.

10.3 Additional Technical Assistance

NTIA intends to offer technical assistance on a broad set of topics, including infrastructure development, grants financial management, and governance and policy. This support includes but is not limited to the following: technical assistance on Environmental Assessment requirements, Regulatory permitting, Construction planning and implementation, Equipment and instrumentation, and Reporting. Technical Assistance will

be delivered through various methods including workshops and webinars, self- service materials such as templates and FAQs, as well as one-on-one assistance tailored to specific situations.

- **Environmental and National Historical Preservation Requirements:** Recipients are required to comply with the environmental and historic preservation requirements listed in the SACs, including the National Environmental Policy Act (NEPA) (42 U.S.C. 4321 *et seq.*) and the National Historic Preservation Act (NHPA) (54 U.S.C. 300101 *et seq.*). NTIA will provide guidance regarding how to meet these requirements. It is the grant recipient's responsibility to obtain all necessary Federal, State, Tribal, and local governmental permits and approvals necessary for the work to be conducted, whether the grant recipient receives a Categorical Exclusion (the project does not significantly affect the quality of the human environment), needs to prepare an Environmental Assessment (EA) (effects are unknown), or must prepare an Environmental Impact Statement (EIS) (project is expected to significantly affect the quality of the human environment).

NTIA expects recipients to design their projects to minimize the potential for adverse impacts on the environment. Impacts required to be assessed include those to environmental (e.g., wetland, endangered species, and others), historic, or cultural resources. Recipients should work with FPOs and NTIA EHP staff to identify feasible measures to reduce or avoid any identified adverse environmental or cultural impacts of projects.

- **Buy America Domestic Content Procurement Preference (Buy America Preference):** This section defines the role of the FPO in monitoring progress made by recipients in satisfying Buy America compliance requirements and related SAC.

On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act (IIJA), which included the Build America, Buy America Act (BABA) requirements. The OMB Buy America Memorandum, citing to 2 CFR § 200.1, defines "non-Federal entities" as "States, local governments, territories, Indian tribes, Institutions of Higher Education (IHE), and nonprofit organizations," and provides that "for-profit organizations are not considered non-Federal entities" for the purposes of the guidance.² NTIA granted a targeted and limited waiver on April 19, 2023 for manufactured products incorporated into MMG Program funded middle mile broadband infrastructure. One exception is with respect to fiber optic cable. The signed waiver would cover all MMG Program awards made between March 1, 2023, and March 1, 2024. OICG will review this waiver no less than every six months from the date on which the waiver is issued to assess whether it remains necessary to the fulfillment of NTIA's missions and goals and consistent with

applicable legal authorities, such as the IJA, Executive Order 14005, and OMB-22-11.

MMG recipients to whom the waiver applies must report on their purchases of items from foreign sources.

NTIA will issue detailed guidance regarding this reporting requirement.

- **Project Management Conference:** After the award start date, NIST (on behalf of NTIA) will contact the grant recipient to arrange a project management conference. The purpose of the project management conference is to explain to the grant recipient the responsibilities for the administration of the award, including responsibilities with respect to the terms and conditions of the award and applicable Federal requirements. The recipient's AOR, architect/engineer (as applicable), and the grant recipient's financial representative should attend.
- **Open Network Requirements:** Recipients that deploy middle mile networks or submarine cable landing stations must comply with NTIA's open network requirements, which allows all other broadband service providers to interconnect with networks and other broadband infrastructure deployed using funds from this grant program on fair and non-discriminatory terms and conditions.
- **Interconnection:** Recipients shall allow interconnection to grant-funded facilities at any technically feasible point along the network (without exceeding current or reasonably anticipated capacity limitations). This duty includes, at a minimum, the physical interconnection of the grant recipient's facilities to a requesting party's facilities for the exchange of traffic. In addition, recipients shall connect to the public internet directly or indirectly and provide requesting parties with an ability to connect to the internet. Rates and terms for interconnection shall be reasonable and nondiscriminatory.
- **Negotiate in Good Faith:** Recipients shall negotiate in good faith with all requesting parties (i.e., public, private, non-profit, or other parties) making a bona fide request for interconnection or wholesale services.
- **Wholesale Broadband Service:** NTIA encourages recipients to offer wholesale broadband service at rates and terms that are reasonable and nondiscriminatory.
- **Land, Easements, and Rights of Way:** The recipient must disclose all encumbrances to NTIA. NTIA will not accept any encumbrance that interferes with the construction, intended use, operation, or maintenance of the project.
- **Prohibition on Use for Covered Communications Equipment or Services:** Pursuant to Section 60102(g)(1)(D) of the Infrastructure Investment and Jobs Act, a recipient may not use grant funds received under the Middle Mile to purchase or support any covered communications equipment or service (as defined in section 9

of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. § 1608)).

10.4 Fraud, Waste, Abuse and Mismanagement, and Whistleblower Protections

As a recipient of Federal funds, Middle Mile grant recipients are required to use the funds only for the intended purpose, approved scope and within the established guidelines. Recipients are responsible for providing adequate safeguards to prevent fraud, waste, abuse, and mismanagement of Federal funds. Proper management of award funds prevents misuse of funds.

The definitions of fraud, waste, abuse, and mismanagement are as follows:

- **Fraud** is an attempt to obtain something valuable through intentional misrepresentation. An example of fraud would be an individual stealing money by directing contracts to bogus companies.
- **Waste** is the misuse of funds or resources through excessive or nonessential expenditures. An example of waste is a program manager purchasing overpriced equipment that could have been purchased for a lesser price at a different company.
- **Abuse** occurs when there is an intentional and unacceptable use of grant funds or misuse of one's position.
- **Mismanagement** is failure to appropriately manage budgets, expenditures, or documentation for grant funds.

Misuse of grant funds can occur in many ways; however, the common types of misuse of grant funds are:

- **Conflict of interest:** When an individual has a personal or business interest that conflicts with their professional obligations or responsibilities to the organization, or the appearance of such a conflict exists.
- **Failure to properly support the use of award funds:** When an individual deliberately re-budgets funds in a manner different from the purpose outlined in the award agreement.
- **Theft:** The embezzlement of the funds that are awarded to the organization.

Committing fraud can have drastic consequences. If a grant recipient or subrecipient is found guilty of grant fraud, waste, abuse, and mismanagement, the consequences could be any or all of the following:

- The recipient or subrecipient is banned from receiving future Federal funding.
- The recipient or subrecipient is responsible for the administrative recoveries of the funds.

- The recipient or subrecipient has a civil lawsuit or criminal prosecution brought against them.

Recipients or subrecipients of award funds should develop and implement preventative measures and processes to decrease the risk of fraud, waste, abuse, and mismanagement. The following examples show ways to reduce fraud, waste, abuse, and mismanagement.

- Examine existing operations and internal controls to identify if they are vulnerable to fraud. Examples of vulnerabilities include:
 - Lack of separation of duties;
 - Unclear authorization for transactions;
 - Outdated or ineffective accounting systems;
 - Improperly collected and stored documentation; and
 - Incomplete, unclear, or not implemented conflict of interest policies.
- Implement fraud prevention measures and have regular training to educate staff and volunteers on risks.
- Review and test internal control systems regularly for vulnerabilities and areas of improvement.
- Verify that all financial and progress reports are sufficiently supported with the required documentation.
- Develop and implement procurement processes that are reasonable, fair, and transparent.
- Conduct monthly bank reconciliations to identify errors or irregularities in bank statements and detect fraud.

Whistleblower Protections: All Middle Mile awards are subject to the whistleblower protections afforded by 41 U.S.C. § 4712 (Enhancement of contractor protection from reprisal for disclosure of certain information), which generally provide that an employee or contractor (including subcontractors and personal services contractors) of a recipient may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body information that the employee reasonably believes is evidence of gross mismanagement of a Federal award, subaward, or a contract under a Federal award or subaward, a gross waste of Federal funds, an abuse of authority relating to a Federal award or subaward or contract under a Federal award or subaward, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal award, subaward, or contract under a Federal award or subaward. These persons or bodies include:

- a. A Member of Congress or a representative of a committee of Congress.
- b. An Inspector General.
- c. The Government Accountability Office.
- d. A Federal employee responsible for contract or grant oversight or management at the relevant agency.

- e. An authorized official of the Department of Justice or other law enforcement agency.
- f. A court or grand jury.
- g. A management official or other employee of the contractor, subcontractor, or grantee who has the responsibility to investigate, discover, or address misconduct.

Recipients and contractors under Federal awards and subawards must inform their employees in writing of the rights and remedies provided under 41 U.S.C. § 4712, in the predominant native language of the workforce. See Section F.05 of the Department of Commerce Financial Assistance Standard Terms and Conditions (12 November 2020).

11 How do I close out my grant?

See 2 CFR § 200.344 for the list of requirements that Middle Mile grant recipients must follow to ensure a proper closeout. These requirements include:

- Submitting financial and performance reports
- Liquidating all financial obligations
- Refunding any unobligated cash balances
- Accounting for real and personal property

As the period of performance is completed, Middle Mile grant recipients should assess its outstanding financial and programmatic responsibilities. During the month preceding the end- date or period of performance, NIST will send a letter outlining the specific documents required for the closeout process and any associate deadlines and submission instructions. As directed in 2 CFR § 200.344, Middle Mile grant recipients must submit all financial, performance, and other reports as required by the terms and conditions of the award no later than 120 calendar days after the end date of the period of performance. Subrecipients must submit these reports to the pass-through entity no later than 90 calendar days after the end date of the period of performance. NIST/NTIA may approve extension requests (See Table 8), when requested and justified. However, preparations should begin to ensure all financial and administrative questions will be resolved before the deadline.

Key final reports to be submitted include the Final SF-425, Final Performance Progress Report, and other required closeout documentation.

12 Who should I contact?

For additional information on topics such as monitoring, UGAs or other specific grant related topics, please use the Middle Mile contact tree below. The contact tree shows the Point of Contact (POC) for topics pertaining to the grant.

Table 5: Middle Mile Contact Tree

Middle Mile Program Office		
Topic	Person of Contact	Notes
Programmatic compliance	NTIA FPO	
Grant monitoring activities	NTIA FPO and NIST Grants Specialist	
Financial management of grant resources	NIST Grants Specialist	
Records and record retention schedule	NTIA FPO and NIST Grants Specialist	Costs require supporting documentation. It is a good strategy to maintain as much documentation as necessary.
UGA processing	NTIA FPO and NIST Grants Specialist	Consult with the FPO to determine which type of UGA should be submitted. Once a recipient has consulted with their FPO and determined the proper UGA to submit, the grant recipient must submit an email to UGAM@nist.gov .
Award substantive changes	NTIA FPO and NIST Grants Specialist	Personnel changes, project changes.
Reimbursement-only drawdowns	NIST Grants Specialist	Recipients will be notified in the SACs if they are identified as requiring Reimbursement-only drawdown procedures and what those procedures are.

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13 Appendices

Appendix 1: Helpful Resources

Resource	Website Location	Description
Advisory Council on Historic Preservation	http://www.achp.gov/	This website provides information regarding compliance with Section 106 of NHPA.
ASAP Website	http://www.asap.gov	This website is maintained by the U.S. Department of Treasury and is used by the grant recipient to draw down award funds.
Middle Mile Website	https://broadbandusa.ntia.doc.gov/funding-programs/enabling-middle-mile-broadband-infrastructure-program	This website is the homepage of Middle Mile and contains all publicly available guidance on compliance and program requirements, as well as descriptions of each award, including quarterly and annual performance reports.
Council on Environmental Quality (CEQ)	http://www.whitehouse.gov/administration/eop/ceq/	This website is for guidance and information concerning NEPA requirements.
Department of Commerce Grants and Cooperative Agreements Manual (dated 04/20/21)	https://www.commerce.gov/sites/default/files/2021-04/Department%20of%20Commerce%20Grants%20%20Cooperative%20Agreements%20Manual%20%282020April%202021%29.pdf	Overview of the DOC grants process. Includes standard DOC policies, procedures, and requirements.
Department of Commerce Financial Assistance Standard Terms and Conditions (dated 11/12/20)	https://www.commerce.gov/sites/default/files/2020-11/DOC%20Standard%20Terms%20and%20Conditions%20-2012%20November%202020%20PDF_0.pdf	Sets out the standard terms and conditions applicable to U.S. Department of Commerce financial assistance awards.

NIST Financial Assistance Reference Guide	https://www.nist.gov/system/files/documents/2022/02/17/GMD%20Financial%20Assistance%20Reference%20Guide%20v3.0.pdf	Provides information on the essential elements and most commonly asked questions of NIST financial assistance recipients. The guide contains a multitude of carefully selected topics designed to assist the grant and cooperative agreement community from acceptance of the award to reporting requirements to amendments and prior approvals during the award to close-out procedures after award completion.
2 CFR Part 200	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1	Establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities.
Middle Mile Notice of Funding Opportunity (NOFO)	https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/MIDDLE%20MILE%20NOFO.pdf	Outlines the requirements under which Middle Mile grant recipients must abide by.

Appendix 2: Glossary

Letter	Glossary Terms
A	● Abuse of Federal funds: The intentional and unacceptable use of grant funds or misuse of one's position. ● Advance Payment: An advance on grant funds limited to the minimum amount necessary to meet immediate monetary needs (limited to a 30-day period). ● Advisory Council on Historic Preservation (ACHP): An independent agency of the U.S. government that promotes the preservation, enhancement, and productive use of the nation's historic resources. ● Allocable Cost: A cost chargeable to the award in accordance with benefits received by the project. ● Allowable Cost: Cost that may legitimately be charged to an award, per the terms of the award, applicable laws, and applicable regulations. ● Audit: An evaluation of an organization's compliance, internal controls, and financial management. Audits are a tool to demonstrate effective stewardship of Federal funds and to prevent waste, fraud, and abuse. See Section 8.5 of this handbook for further information. ● Authorized Organization Representative (AOR): An individual authorized by an award recipient to act for the recipient organization and to assume the obligations

	imposed by the Federal laws, regulations, requirements, and conditions that apply to a grant application or grant award. An AOR submits a grant on behalf of a company, organization, institution, or government. Only an AOR has the authority to sign and submit grant applications.
B	• Buy American Provision: A provision that prohibits the use of recovery funds for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. See Section 1605 of the American Recovery and Reinvestment Act of 2009 for more information.
C	• CD-450 Form: A document the Grants Officer uses to authorize and issue the Middle Mile award. • CD-451 Form: The amended version of the CD-450 Form Grants Officer uses to authorize and issue the Middle Mile award. • Community Anchor Institution (CAI): Any schools, libraries, medical and healthcare providers, public safety entities, public housing authorities, institutes of higher education and other community support organizations that provide outreach, access, equipment and support services to facilitate greater use of broadband service by the entire population and local governments. • Cost Sharing: The costs that a recipient organization contributes to a proposed project. An organization's share could be in the form of cash or supplies, or it might be valuable in-kind services, such as volunteer services. Cost sharing is also known as matching.
D	• Deobligation of Award: The withdrawal of awards made to recipients that demonstrate an insufficient level of performance or wasteful or fraudulent spending. Awards may also be deobligated for non-performance reasons, such as when a recipient de-scopes an award or terminates for convenience. • De Minimis Rate: 10% of Modified Total Direct Costs that can be used indefinitely for applicable fringe benefits, materials and supplies, services, direct salaries and wages, and up to the first \$25,000 of each subaward. Any recipient that has never received a negotiated cost rate may elect to charge a de minimis rate. (See 2 CFR 200.68 and 2 CFR 200.414 for more information).

E	● Eligible Costs: The project costs that may be paid for using NTIA grant funds consistent with the cost principles identified in the applicable OMB circulars, in the grant program's authorizing legislation. ● Environmental Assessment (EA): A report that provides evidence that the recipient's Middle Mile project meets or exceeds the National Environmental Policy Act (NEPA) environmental protection regulations. A recipient must submit an environmental assessment to NTIA within six months of accepting a Middle Mile grant award.
F	● Federal Program Officer (FPO): A Department of Commerce official responsible for the technical, scientific, or other programmatic aspects of an award/program. He/she oversees a specified subset of grant awards within each Middle Mile project area and serves as the primary NTIA point-of-contact for a subset of Middle Mile grant recipients. Responsible for the administration, performance, and compliance monitoring of the work conducted under their respective projects, including evaluation of financial and progress reports, and identification of recipient needs and provision of technical assistance. ● Federal Financial Report (FFR): A report that must be submitted on a semi-annual basis using the OMB FFR Standard Form-425 for the periods ending December 31 and June 30. Reports must be submitted to NIST GMDs no later than 30 days following the end of each reporting period. A final Federal financial report must be submitted after the expiration date of the award. ● Financial Accounting Standards: A statement of financial accounting standards, which are set by the Financial Accounting Standards Board (FASB) and are part of Generally Accepted Accounting Principles (GAAP). ● Fiscal Year: The twelve-month period for which financial results are prepared and reported. It may be identical to or different from the calendar year. The Federal government's fiscal year is from October 1 to September 30 of the next calendar year. The recipient's fiscal year may not correspond to the Federal government's fiscal year. ● For-Profit: A commercial organization whose primary function is to generate profit. As described at 2 CFR § 230.20(c), some large non-profits are treated as profit makers for Federal grant purposes and are required to follow the cost principles in 2 CFR § 200.401(c). ● Fraud: An attempt to obtain something valuable through intentional misrepresentation, e.g., stealing money by directing contracts to bogus companies. ● Fringe Benefits: Personnel-related costs such as medical and life insurance, pension contributions, and vacation leave. These costs typically are reflected in the budget as a percentage of salary or wage costs.

G	● Generally Accepted Accounting Principles (GAAP): Uniform minimum standards of, and guidelines for, financial accounting and reporting. ● Generally Accepted Auditing Standards (GAAS): Standards for auditors' professional qualities and judgment in the performance of audit work. ● Governmental Accounting Standards (GAS): Standards of financial reporting for all units of state and local government often referred to as the Yellow Book. ● Grants Coordinator: The contract staff who partner and work closely with Federal Program Officers to manage grant portfolios and ensure that all required information is available and various program reviews are completed. ● Grants Office (Grants Management Division): The Department of Commerce staff responsible for awarding, administering, and closing out OICG grants. In this case, the Grants Office is at the National Institute of Standards and Technology. ● Grants Officer: The Department of Commerce official with delegated authority to award, amend, administer, closeout, suspend, and/or terminate grants and cooperative agreements, and make related decisions and findings. ● Grants Specialist: The Department of Commerce staff who reports to the Grants Officer and who handles the administration of recipients daily.
I	● Indirect Costs: Costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. ● Indirect Cost Rate: The percentage of grant funds that can be used for indirect costs. The process used for establishing an indirect cost rate must follow the Department of Commerce's "General Indirect Cost Rate Program Guidelines for Recipient Organizations." ● Ineligible Costs: Project costs that may not be paid using NTIA grant funds. If a recipient's budget proposes to use any portion of the grant funds for any ineligible cost, the recipient must revise its budget to remove such costs. ● In-Kind Contribution: Non-cash donations to a project that may count toward satisfying the non-Federal matching requirement of a project's total budgeted costs. In-kind contributions, including third party in-kind contributions, must be allowable project expenses.
N	● National Environmental Policy Act (NEPA): An Act requiring Federal agencies to ● consider the environmental impacts of their proposed actions and reasonable alternatives to those actions (42 U.S.C. 4321 et seq.).

P	● Performance (Technical) Progress Report (Performance Progress Report): A semi-annual report that documents details regarding key project outputs and outcomes. Performance reports must be submitted on a semi-annual basis. ● Program Income: The gross income earned by a recipient that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. ● Program Office: NTIA staff that supports the Grants Office in the post-award management of Middle Mile grants, including administrative tasks, performance tracking, and recipient monitoring for award compliance daily. ● Public Computer Center (PCC): A place that provides broadband access to the general public or a specific vulnerable population, such as low-income, unemployed, aged, children, minorities, and people with disabilities.
S	● Specific Award Conditions (SAC): The specific conditions attached to an award that may amend or take precedence over DOC standard terms and conditions on a case-by-case basis when allowed by the Department's standard terms and conditions. ● Standard Form-424 (SF-424): The core government-wide standard data sets and administrative burden to the Federal grants community, including applicants, recipients, and Federal staff involved in grants-related activities. ● State Historic Preservation Officer (SHPO): Staff who administers the national historic preservation program at the State level, including consultations with Federal agencies during Section 106 review. ● Subrecipient: An entity that receives funds when a recipient makes a subaward to carry out a Federal program. Subrecipients do not include individuals who are beneficiaries of a project.
T	● Termination of Award: The withdrawal of awards made to recipients that demonstrate an insufficient level of performance or wasteful or fraudulent spending. ● Tribal Historic Preservation Officer (THPO): Staff who administers the national historic preservation program with respect to tribal lands including consultations with Federal agencies during Section 106 review. ● Tribal Organization: The recognized governing body of any Indian tribe; any legally established organization of Indians which is controlled, sanctioned, or chartered by such governing body or which is democratically elected by the adult members of the Indian community to be served by such organization and which includes the maximum participation of Indians in all phases of its activities: provided, that in any case where a contract is let or grant made to an organization to perform services benefiting more than one Indian tribe, the approval of each such Indian tribe shall be a prerequisite to the letting or making of such a contract or grant.

U	● Underrepresented Community: Any groups that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, including: low-income households, aging individuals, incarcerated individuals, veterans, persons of color, Indigenous and Native American persons, members of ethnic and religious minorities, women, LGBTQI+ persons, persons with disabilities, persons with limited English proficiency, persons who live in rural areas, and persons otherwise adversely affected by persistent poverty or inequality. ● Underserved Area: 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. ● Underserved Service Project: 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. ● Unique Entity Identifier (UEI): A unique number assigned to all entities (public and private companies, individuals, institutions, or organizations) who register to do business with the Federal government. The UEI is the non-proprietary identifier that replaces the DUNS and is requested in and assigned by the System for Award Management (SAM.gov). ● Unliquidated Obligation: The obligations incurred for which the corresponding expenditure has not been recorded, such as supplies ordered but not yet received. ● Unserved Location: 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. ● Unserved Service Project: 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.
W	● Waste: The misuse of funds or resources through excessive or nonessential expenditures. An example of waste is a program manager purchasing overpriced equipment that could have been purchased for a lesser price at a different company.

Appendix 3: Agency Contacts List

Office	Title	Name	Email
OICG Grants Management, Administration, and Compliance Office	Director	Jennifer Duane	jduane@ntia.gov
Middle Mile Program Office	Director	Sarah Bleau	sbleau@ntia.gov
NIST Grants Management Division	Grants Officer	Andrew Rittgers	Andrew.Rittgers@nist.gov

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Appendix 4: ASAP Contacts List

ASAP Contact Information			
Location	Time Zone	Phone	Business Hours (local time)
Philadelphia ASAP Regional Office	Eastern	(215) 516-8021	7:30 a.m. – 4:00 p.m.
Kansas City ASAP Regional Office	Central	(816) 414-2100	7:30 a.m. – 4:00 p.m.
San Francisco ASAP Regional Office	Pacific	(510) 594-7182	7:30 a.m. – 4:00 p.m.

Appendix 5: List of Checklists

Allowable and Unallowable Costs Checklists

Allowable costs are reasonable, allocable, and necessary costs that may be paid for by the Federal grant. They must be allowable as defined by the terms of the award and 2 CFR Part 200 and must also be included in the approved project budget.

Unallowable costs cannot be paid for by the grant. If a cost is not reasonable, allocable, or necessary, then the cost is unallowable. Unallowable costs include excessive or unreasonable costs and those expressly unallowable by the terms of the award and 2 CFR Part 200.

These checklists outline allowable and unallowable costs under the National Telecommunications Information Administration (NTIA) Middle Mile Grant Program. Refer to [Middle Mile Grant Program Notice of Funding Opportunity](#) and [2 CFR Part 200 Subpart E \(Cost Principles\)](#) for additional information on how grant funds can be spent. Please contact your assigned Federal Program Officer (FPO) if you have any questions.

Allowable Costs Checklist

	Type	Description
☐	Personnel Costs	Salaries, wages, and fringe for staff and consultants providing services directly connected to the implementation of the grant.
☐	Travel Expenses	For key project staff and consultants. Requires prior written approval from OICG.
☐	Subawards and Third-Party Contractor Costs	Associated with carrying out programmatic activities, including program implementation and consulting services.
☐	Reasonable Pre-Application Expenses	Not to exceed \$50,000. May be reimbursed if they are incurred after the publication date of the NOFO and prior to the date of issuance of the grant award.
☐	Construction, Improvement, or Acquisition of Facilities and Telecommunications Equipment	Must be required to provide qualifying broadband service, including infrastructure for backhaul, middle, and last mile networks. Must also demonstrate Buy America compliance, as appropriate.
☐	Long-Term Leases of Facilities	Leases must be for terms greater than one year. Facilities must be required to provide qualifying broadband service, including infeasible right-of-use (IRU) agreements.
☐	Engineering Costs	Including design, permitting, and work related to environmental, historical, and cultural reviews.

☐	Other Necessary Costs	Costs necessary to carry out programmatic activities of an award.
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Unallowable Costs Checklist

	Type	Description
☐	Personnel Costs	For non-project staff.
☐	Duplicative or Redundant Costs	For example: last mile deployment to the same building.
☐	Lobbying Costs and Contingency Fees	These pre-application expenses are not reimbursable.
☐	Unauthorized Activities	Costs attributable to any other activities not authorized by the eligible use categories specified in the Consolidated Appropriations Act, 2021.
Covered Partnership The following cost prohibitions apply to all members of a covered partnership.		
☐	Covered Communications Equipment or Services	Cannot purchase or support any covered communications equipment or service, as defined in 47 U.S.C. 1608.
☐	Profits and Fees	Or any other incremental charge above actual cost.
☐	Collective Bargaining	Funds cannot be used directly or indirectly as an offset for other funds to support or oppose collective bargaining.
Provider of Broadband Services The following cost prohibitions apply to a provider of broadband services that is a member of a covered partnership.		
☐	Repaying Loans	Funds cannot be used to repay or make any other payment relating to a loan or as collateral for new loans.
☐	Pre-Application Expenses Over Cap	No more than \$50,000 of the grant amount can be used to pay for the preparation of the grant.
☐	Previously Incurred Costs	Cannot be used to pay for previously incurred administrative costs or previously purchased equipment or construction activities undertaken prior to the award.
☐	FCC USF Deployment Obligations	Cannot use grant funds to pay for the costs of providing broadband service to any locations used to meet a Federal Communications Commission (FCC) Universal Service Fund (USF) deployment obligation.

Desk Review Checklist

Desk Reviews are monitoring engagements during which the FPO reviews grant recipient-provided project documentation of processes and procedures to ensure compliance with all required statutes, regulations, terms, and conditions of an award, as well as assess overall project implementation and any need for technical assistance actions.

Site Visits are on-site monitoring engagements during which the FPO and representatives from the Grants Office travel to the project site to assess ongoing project implementation and administrative capacity. They also inspect grant-funded physical infrastructure. Site visits are an opportunity for recipients to share project successes and challenges and receive direct technical assistance as needed.

The checklists below outline the task areas and supporting documentation that *may be* reviewed during a Desk Review or Site Visit. It is important to note that many of the elements reviewed during a Desk Review are also reviewed during a Site Visit, and that the items on the Desk Review checklist are not mutually exclusive.

Desk Review Checklist Example Questions		
Task Area	Description	
Administrative	Does your organization have adequate written and updated standard operating procedures clearly outlining the roles and responsibilities of key administrative personnel that are readily available?	☐
	Does your organization have policies and procedures, accounting systems, and financial records adequate to capture all grant expenditures and administer Federal funds?	☐
	Does your organization have timesheet and payroll policies and procedures in place, including for earning overtime/premium pay and for recording time charged to different cost centers?	☐
	Does your organization have procedures for tracking compliance with specific award conditions and can you provide evidence of doing so in the event it is requested?	☐
	Does your organization have written procedures for subrecipients that you can readily provide for the award process, grant management, risk assessment, monitoring, and closeout?	☐
	Are internal controls in place and sufficient in ensuring the prevention of fraud, waste, and abuse?	☐
	Does your organization have a documented organizational chart with all key personnel names, positions, and levels that is readily available for review?	☐

	Does your organization have a written records retention schedule compliant with the terms of your award?	☐
	Do you have a record of all requests requiring prior approval from the FPO?	☐
Accounting and Finance	Is your general ledger, and other accounting records, up to date and readily available?	☐
	Can you provide a written copy of your current accounting and asset management policies and procedures?	☐
	Is supporting documentation for allowable expense transactions properly stored and readily available?	☐
	Are budget vs. actual comparisons, complete with all calculations, reviewed and on file?	☐
	Are all expense receipts properly stored and readily available?	☐
	Are you able to provide detailed general ledger account information for reported periods for all your grants?	☐
	Do the cumulative expenditures recorded in your accounting system reconcile with the cumulative expenditures reported on the Federal Financial Report (FFR) as of the date the most recent FFR submitted?	☐
	Can you provide a list of all employees compensated with award funds for all grants?	☐
	Can you clearly present and document the source of all matching funds?	☐
	Can you ensure all grant expenditures are properly recorded in your accounting systems and that appropriate evidence of them, which may be requested, is readily available?	☐
	Are fringe benefits recorded separately from salaries, calculated proportionate to salaries, and adequately documented?	☐
Procurement and Contracts	Does your organization have a written procurement policy that does not conflict with the Federal procurement policies?	☐
	Can you provide documentation for all procurements under all grants?	☐
	Can you provide an inventory of all equipment and materials purchased with grant funds?	☐
	Has your organization taken affirmative and documented steps to comply with the procurement requirements of the SACs?	☐
	Do you have copies of all executed contracts, addendums, and change orders with vendors showing scope of work, deliverables, and payment terms?	☐

	Does your organization maintain policies and procedures for direct vendor and subrecipient oversight?	☐
	For subrecipients, is there an original or copy of the signed award agreement on file?	☐
	For subrecipients, are financial and progress reports requested periodically and kept on file?	☐
	For subrecipients, is follow up of monitoring findings conducted, recorded, and kept on file?	☐
	For subrecipients, are budget modifications adequately reviewed, approved, and kept on file?	☐
Sales and Marketing	Does your organization have an effective strategy for marketing the expansion of broadband services funded by your grant?	☐
	Does your organization encourage public comment for implementing new services?	☐
	Does your organization adequately notify households and businesses in the project area of the availability of qualified broadband services?	☐

Site Visit Checklist

If you have been notified of a Site Visit, please review the above checklist in addition to the following:

Site Visit Checklist Example Questions		
Task Area	Description	
Administrative	Does your organization have a documented organizational chart with all key personnel names, positions, and levels that is readily available for review, indicating the current percentage of each FTE dedicated to the grant and list key personnel roles and responsibilities?	☐
	Have any of your key personnel changed and do you have documented prior approval?	☐
	Does your organization have an employee handbook and ethical standards of conduct documentation?	☐
	Does your organization track the personnel hours of on-site staff funded by grant funds? Do you have work orders or coded timesheets for workforce activities?	☐
	Do you have paid invoices for contractor-supported activities?	☐
Financial Management	Does your organization have a written process and procedure for Automated Standard Application for Payment (ASAP) drawdowns?	☐
	Does your organization have written financial management policies and procedures?	☐
	Does your organization have written payroll processing procedures and sample time records for personnel working on the grant?	☐
	Does your organization have the Federal funds verification report from your financial system showing Federal expenditures by cost category reported as of the most recent quarter?	☐
	Note: Federal funds expended should correspond to the figures in the most recently submitted Bi-Annual Technical Performance Progress Report and SF-425.	
Procurement and Contracts	Does your organization have written procurement policies, including purchasing policies and procedures?	☐
	Do you have RFPs and other documentation to show compliance with Federal, state, and/or local procurement policies related to competitive acquisitions?	☐
	Do you have a list of contractors funded by grant funds and their role in project execution?	☐

	Do you have all applicable executed contract documents, including statements of work, executed change orders, and paid invoices?	☐
	Do you have a list of all applicable subrecipients and agreements with other public organizations?	☐
	Do you have a copy of an executed subrecipient agreement or MOU?	☐
	Do you have a subrecipient monitoring plan?	☐
	Does your organization have written procurement policies, including purchasing policies and procedures?	☐
Construction For each executed programmatic activity, collect a sample of supporting documentation that demonstrates project milestones achieved, implementation challenges and solutions (if applicable), and outcomes.	Has your organization met the milestones of the baseline project plan and/or the most recent Bi-Annual Technical Performance Progress Report?	☐
	Have there been significant obstacles in the way of project progress?	☐
	Do you have purchase orders for materials and/or equipment utilized to execute the scope of work?	☐
	Do you have inventory reports that detail the use of materials purchased with grant funds?	☐
	Do you have equipment usage logs that detail which equipment has been utilized at the project site?	☐
	Do you have a project monitoring plan and a documented process for data collection activities?	☐
Environment	Have there been any significant developments that require additional environmental or historic review?	☐
	Has your organization obtained and maintained all necessary permitting for construction activities?	☐

Internal Controls Checklist

This checklist provides specific tasks and measures for effective internal control as well as steps to establish them if they are not in place. For additional guidance, please see 2 CFR 200.303.

Internal Controls Checklist	
Accounting System	
☐	Accounting system identifies the receipt and expenditure of program funds separately for each contract/grant.
☐	Accounting system has provisions to record expenditures for each grant/contract by the component project and budget cost categories shown in the approved budget.
☐	Time distribution records are maintained for an employee when his/her effort can be specifically identified to a particular cost objective.
☐	Recipients have an approved indirect cost rate with the Federal Government.
☐	Accounting/financial system include budgetary controls to preclude incurring obligations in excess of: a. Total funds available for a grant b. Total funds available for a budget cost category (e.g., Personnel, Travel)
☐	Recipients are generally familiar with the existing regulations and guidelines containing the cost principles and procedures for the determination and allowance of costs in connection with Federal contracts/grants.
☐	Federal grant/contract funds and related costs and expenses can be distinctly accounted for if grant/contract funds are commingled with recipient's funds.
Financial Capabilities	
☐	An independent certified public accountant (CPA) has examined the financial statements.
☐	The recipient has retained copies of the CPA's latest report and any management letters issued.
☐	The recipient is generally familiar with the existing regulations and guidelines containing the cost principles and procedures for the determination and allowance of costs in connection with Federal contracts/grants.
☐	The recipient files audits with the Federal Audit Clearinghouse in a timely manner, if applicable.
Property Management	
☐	The recipient maintains written procurement procedures to: ☐ promote competition;

	☐ avoid unnecessary purchases; ☐ provide an analysis of lease vs. purchase alternatives; and provide a process for soliciting goods and services.
☐	There is a written code of conduct covering conflicts of interest for procurement staff.
☐	Conflict of interest rules are in place to apply to the grant recipient's procurement system.
☐	Employees sign a conflict of interest statement annually.
☐	The recipients include the Federal clauses in contracts and sub-grants.
☐	The recipient's procurement system provides for the conduct and documentation of cost or price analysis for each procurement action.
☐	The recipient assesses the financial capability of a contractor to perform the contract.
☐	The recipient conducts internal reviews of the procurement files for adherence to statutes, regulations, and organization policies.
☐	Duties and functions are segregated within a recipient's organization to ensure that adequate checks and balances exist.
☐	Policies regarding subrecipient suspension or debarment are in place.
Subrecipient Management	
☐	There is a subrecipient monitoring system in place (i.e., written policies).
☐	There is regular communication with subrecipients.
☐	A process for recipient review of the costs contained in a sub-grant Application is in place.
☐	A schedule for subrecipients to submit required financial and progress reports to the grant recipient is in place.
☐	The recipient conducts subrecipient site visits and site visit criteria are in place.
Contractor Management	
☐	A contract administration system is in place (i.e., written policies).
☐	There is regular communication with the contractor.
☐	Recipient reviews invoices submitted by the contractor.
☐	The recipient verifies contract deliverables.

ASAP Drawdown Funds Checklist

ASAP Drawdown Funds Checklist		Completion Date
☐	Understand payment policies, allowable costs, and restrictions on use of Middle Mile funds.	Before drawing down Middle Mile funds.
☐	Register with ASAP (if not registered already).	As soon as possible.
☐	Draw down funds from ASAP into an insured, interest- bearing account.	Monthly, or as needed.
☐	Return any unused funds or interest accrued to ASAP.	Monthly, or as needed.

Budget Revisions Checklist

Budget Revisions Checklist	
☐	Communicated with FPO regarding budget revision.
☐	Filled out required Form SF-424c.
☐	SF-424 specifies the total approved budget for the award versus the requested revisions.
☐	SF-424 includes a detailed budget narrative explaining the transfer of funds.
☐	SF-424 sent by the grant recipient to the program office.
☐	Revised budget narrative to align to SF-424.
☐	Revised budget detail and narrative to align to SF-424.

Appendix 6: Environmental Assessment Template



Department of Commerce

National Telecommunications and Communications Service

[Month] [Year]

Environmental Assessment

[Project Title]

[Your County, State]

[Legal Description if Applicable]

TIPS for using this EA Document Template:

1. Guidance is contained at the beginning of each section. These should be deleted prior to submitting the EA Document.
2. Sample Text is provided for some **sections for your reference or use.**

For Information Contact: [Name]
[Address]
[Telephone]
[Webpage]

Table of Figures

Guidance

The list of figures included below are recommended for inclusion in the appropriate areas under Section 4.0. Figures should be included as appropriate to the project and the environment affected.

Figure 1: Vicinity Map

Figure 2: Topographic Map

Figure 3: Site Plan

Figure 4: Aerial

Photograph Figure 5:

FEMA Map

Figure 6: National Wetlands Inventory Map Figure 7: Geologic Map

Figure 8: Soils Map

Figure 9: Historic Sites Map

Guidance

Appendices should be added as appropriate to support the information provided in the EA. Below are some examples of what could be include as an Appendix.

APPENDIX A – List of Preparers

APPENDIX B – Site Photographs

APPENDIX C – USACE Permitting Documentation

APPENDIX D – USFWS Section 7 Compliance Documentation

APPENDIX E – Section 106 Compliance Documentation ETC.

1.0 Executive Summary

Guidance

In this section, include a brief introduction and discussion of the purpose and need for the project, description of the proposed action (focus on physically what would be done and avoid any extended discussion of benefits), a summary of the alternatives evaluated, and results of the impact analyses by resource area. This should be written once the document is complete and should provide a summary of the document, highlighting key information

2.0 Purpose and Need

Guidance

Defining the purpose of and need for the proposal is a critical section of an EA. The information presented in this section needs to explain:

- 1. The underlying purpose of and need for the applicant's proposal and for which NTIA financial assistance is being requested; and*
- 2. NTIA's authority and program objectives in responding to the proposal under consideration.*

Specifically, for this section, include a brief introduction that describes the project background and history. The project "purpose" is a set of objectives that the project intends to meet, whereas the project "need" is the deficiency that the project is intended to address. For example, the "purpose" may be to connect fiber optic cable between points "A" and "B", while the "need" is to provide broadband service to the underserved community at point "B". The need for the project should be discussed and quantified to the extent possible. The purpose and need statements should be separate and broad enough to allow for alternative solutions, but specific enough so that the range of reasonable alternatives can be limited.

3.0 Description of Proposed Action and Alternatives

Guidance

In the process of project planning, applicants should have explored alternative ways to meet their project goals and objectives. Reasonable alternatives satisfy, and are consistent with, the purpose and need of the project proposal. Reasonable alternatives are those that could effectively meet the proposed project's purpose and need, are technically implementable and economically feasible, and make common sense. Alternatives that are not determined to be reasonable can be documented as considered but eliminated from further review. Reasonable alternatives may include:

- *Design alternatives*
- *Siting and location alternatives*
- *System capacities, project timing, etc.*
- *Alternative corridors or routes for infrastructure proposals*

3.1 Description of Proposed Action and Alternatives

Guidance

This section should briefly introduce the alternatives analysis.

3.2 Proposed Action

Guidance

This section should primarily be a physical description of the Proposed Action, including maps and photographs of the proposed area, and exclude any extended discussion of benefits. The text needs to provide the reader with a clear understanding of what activities will take place, the location and duration of those activities, and the equipment that will be used.

It is not sufficient to simply state the activity, such as “replace an existing utility pole.” The activity needs to be described in sufficient detail so that the effects of the activity on the surrounding environment can be clearly understood. Questions need to be addressed such as: How will the existing pole be removed? How will the removed pole be managed or disposed of? What equipment will be needed to install the replacement? How long will it take to complete the replacement? Besides digging a hole, will there be any other ground disturbance associated with the replacement? This description presents the basis for understanding the potential interactions with the surrounding environment described in Section 4. Graphics, pictures, and tables can be useful visual tools in conveying the necessary understanding of what is being proposed. The Impacts of the proposed action will need to be discussed in Section 5.

3.3 No Action Alternative

Guidance

The EA must consider the effects of not implementing the Proposed Action or alternatives, which is the “No Action Alternative.” The No Action Alternative serves as a baseline comparison for impacts associated with the Proposed Action and alternatives. Within this section, include a description of the No Action Alternative with a description of the status quo. Be sure to point out the benefits of not constructing the project in comparison to what the expected benefits of constructing the project would be (purpose and need). The effects of No Action will need to be discussed in Section 5.

3.4 Alternatives

Guidance

Outline all alternatives considered. The range of alternatives that must be included in the EA are simply different ways to meet the purpose and need. If an alternative would not meet either the purpose or the need of the proposed action, then it is not considered a reasonable alternative. An example of reasonable alternatives would be presenting three possible sites on which to locate a facility that would provide equal functionality.

In the alternatives section of the EA:

- 1. Outline the alternatives that were evaluated during the early planning and design phase of the proposal. As the planning, design, and environmental review progresses, various alternatives may be considered and ultimately determined to not be reasonable for various reasons, not limited to but including constructability or environmental effects.*
- 2. Provide the same level of detail in the description as was done for the preferred alternative.*
- 3. For those alternatives determined to be reasonable, present the factors considered in judging each alternative's ability to meet the purpose and need established for the proposal. All relevant factors that contribute to the decision-making process should be included, e.g., technical, and economic feasibility, environmental and social considerations, effectiveness, or implementability.*

For the installation of broadband infrastructure, the three possible alternative technologies (underground, aerial, and wireless) should be identified, discussed, analyzed and/or dispositioned as appropriate. Alternatives using partial components of these three also need to be identified to the extent appropriate to meet the purpose and need.

3.5 Alternatives Considered but Eliminated from Further Discussion

Guidance

As appropriate, this section should describe those alternatives that were considered during development of the project but were eliminated before drafting the EA. Briefly describe the alternatives that were considered and explain why each was eliminated from further discussion.

4.0 Description of the Affected Environment

Guidance

This section provides information on the existing environment, or baseline conditions for those resource areas that may be potentially affected by the Proposed Action or alternatives, including the No Action Alternative.

Guidance

Include descriptions of each resource area with levels of detail proportionate to the potential for impacts to that resource. Descriptions of actions, areas, or resources should be discussed proportionate to their level of importance or impacts. For example, a resource with no or low potential for impact should not be described at the same level as a sensitive or heavily impacted resource. Use maps, photographs, illustrations, and other graphics as appropriate.

4.1 Noise

Guidance

This section should include a description of ambient noise levels in the area and any sensitive receptors that may be affected by noise. This would include schools, hospitals, nearby homes and other areas.

4.2 Air Quality

Guidance

This section should include a description of current air quality conditions, attainment status for the National Ambient Air Quality Standards (NAAQS) identified under the Clean Air Act, a discussion of greenhouse gases (GHG) and Executive Order (EO) 13990 and pursuant to Council on Environmental Quality (CEQ) guidance, and a discussion of any Air Quality Management Districts (AQMDs) or State Implementation Plans (SIPs) that may be in effect.

4.3 Geology and Soils

Guidance

This section should include a description of the physiographic region in which the project is proposed, as defined by the U.S. Geological Survey (USGS) soil types in the area, and the presence of any prime or unique farmlands, as defined the Farmland Protection Policy Act, administered by the U.S. Department of Agriculture.

4.4 Water Resources

Guidance

This section should include subsections on the conditions and occurrences of surface water, groundwater, a coastal zone, floodplains, and wild and scenic rivers in the proposed project area. Laws and Executive Orders that apply to this resource are administered by multiple agencies.

Relevant regulations include the Clean Water Act, administered by the United States Environmental Protection Agency (USEPA); EOs 11988 and 11990, as amended by EO 13690, regarding floodplain management and the protection of wetlands, respectively; and the Coastal Zone Management Act (CZMA) administered by the National Oceanic and Atmospheric Administration (NOAA) in cooperation with state environmental agencies (contact the state office).

In addition, permitting requirements may apply under the Clean Water Act. The U.S. Army Corps of Engineers (USACE) is the permitting authority for any work proposed in wetlands or other waters of the United States. Recipients need to contact the appropriate USACE District Office for information regarding Clean Water Act permits. A National Pollution Discharge Elimination System (NPDES) permit may be required for ground-disturbing work and is administered by an authorized state agency (e.g., Department of Natural Resources, Department of Environmental Quality) or the USEPA. Recipients need to contact the appropriate state administering authority regarding NPDES permits. For permitting or consistency determinations required under the CZMA, recipients need to contact the appropriate state Coastal Zone Management Office.

- 4.4.1 Surface Water (i.e., Lakes and Rivers)**
- 4.4.2 Groundwater**
- 4.4.3 Coastal Zone, Estuary, and Inter-tidal Areas**
- 4.4.4 Flood Plains**
- 4.4.5 Wild and Scenic Rivers**

4.5 Biological Resources

Guidance

This section should include subsections on the conditions and occurrences of wildlife, vegetation, threatened and endangered species, and wetland habitat within the proposed project area. This project area should include descriptions of the eco-region(s) in which the project is proposed, including a list of characteristic plants and animals in the project area, with particular focus on any threatened and endangered species or critical habitat that requires consultation with the USFWS and or NMFS in accordance with the Endangered Species Act (ESA). Please note that, in addition to federal threatened and endangered species, some states have state-level threatened and endangered species and state agencies may need to be consulted (e.g., Department of Natural Resources).

- 4.5.1 Threatened or Endangered Species**
- 4.5.2 Critical or Threatened / Endangered Habitat**
- 4.5.3 Wetland Habitats**

4.6 Historical and Cultural Resources

Guidance

This section should include subsections on the following three resource areas:

- *Archaeological Resources - This includes prehistoric or historic sites where human activity has left physical evidence of that activity but few above ground structures remain standing.*
- *Architectural Resources – This includes buildings or other structures or groups of structures that are of historic or aesthetic significance.*
- *Native American Resources – These include resources of traditional, cultural, or religious significance to a Native American tribe, Native Hawaiian, or Alaska Native organization.*

There are multiple Federal regulations that protect historic and cultural resources. The National Historic Preservation Act of 1966 (NHPA) (P.L. 89–665, 16 U.S.C. §470) directs the Federal Government to consider the effects of its actions on historic and cultural resources under Section 106. NTIA initiates consultation with the State Historic Preservation Offices (SHPO), Tribal Historic Preservation Offices (THPO), or Tribes and Native Hawaiian Organizations (NHO) once the recipient provides a detailed project description and maps showing the proposed project. Recipients need to follow up and coordinate with the appropriate SHPO or THPO for their project.

4.6.1 Archeological Resources

4.6.2 Architectural Resources

4.6.3 Native American Traditional, Cultural or Religious Resources

4.6 Aesthetic and Visual Resources

Guidance

This section should contain a description of the visual and aesthetics of the area, including natural features (water bodies, vegetation, etc.), architectural features, and any protected areas in the vicinity, such as national and state parks (that may have required consultation for potential impacts to visual resources).

4.8 Land Use

Guidance

This section should contain a description of existing land uses in the proposed project area and surrounding areas. The section should provide context for the area and may include references to local zoning and any local master plans that may be in effect for the project area. The CZMA, discussed above, if applicable, should be discussed in this section, since there may be restrictions on development in coastal zones.

4.9 Infrastructure

Guidance

This section should discuss the availability and accessibility of utilities and waste disposal services in the project area. The availability of telecommunications in the project area should be particularly emphasized, as well as any factors that may affect the availability of communications infrastructure. This section should also describe the existing transportation network in the projects area, including the accessibility to major roadways.

4.10 Infrastructure

Guidance

This section should contain a demographic profile of the proposed project area and should note the presence of any low-income or minority areas so that impacts under Executive Order 12898 (Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations) can be addressed in Chapter 5. The U.S. Census Bureau provides demographic data that may be used to compile the profile.

4.11 Human Health and Safety

Guidance

This section should address worker health and safety, and public safety issues typically associated with the activities that are part of the Proposed Action and alternatives being analyzed. This section should also contain a description of any potentially hazardous materials or waste sites within the vicinity of the project area, including any sites that are on the National Priorities List. Some contaminated sites are managed and cleaned up under the Resource Conservation and Recovery Act (RCRA), the Federal government's primary hazardous waste management statute, and the Toxic Substances Control Act (TSCA). Some contaminated sites, known as brownfields, have the potential to be reused once the level of contamination and the planned future of the site have been identified.

5.0 Analysis of Environmental Impacts

Guidance

The environmental impacts assessment should provide a comprehensive analysis of the potential direct and indirect effects of the proposed action and discuss the level of significance of each effect identified. For areas with no or minimal potential for impact, the discussion can be brief, explaining the basis for this conclusion in a succinct manner.

For the analysis of environmental affects, the same resource areas identified in Section 4 should be addressed in addition to cumulative impact as outlined below.

Analyzing environmental impacts should adhere to the following guidance:

- 1. Document the evaluation of and discuss the potential impacts to each affected resource from all alternatives under consideration.*
- 2. Effects or impacts means changes to the human environment from the proposed action or alternatives that are reasonably foreseeable and have a reasonably close causal relationship to the proposed action or alternatives, including those effects that occur at the same time and place as the proposed action or alternatives and may include effects that are later in time or farther removed in distance from the proposed action or alternatives.*
- 3. Effects include ecological (such as the effects on natural resources and on the components, structures, and functioning of affected ecosystems), aesthetic, historic, cultural, economic (such as the effects on employment), social, or health effects.*
- 4. Effects may also include those resulting from actions that may have both beneficial and detrimental effects, even if on balance the agency believes that the effect will be beneficial.*
- 5. Effects should generally not be considered if they are remote in time, geographically remote, or the product of a lengthy causal chain.*
- 6. Summarize the methods used to collect data/information for predicting impacts and present and interpret data accurately. Identify clearly where data is unavailable or insufficient to make an impact determination.*
- 7. Describe the methods used to evaluate and analyze impacts from the proposal including a summary “conclusion” at the end of each resource discussion of all findings, including whether an impact would occur and, if so, the significance of such an impact.*
- 8. Provide adequate documentation for any conclusion or finding that no significant impacts are likely to occur if the proposal or any alternative is implemented. Documentation of consultations with environmental regulatory or natural resource agencies that would substantiate any findings or conclusions must be provided.*

9. *Define the context, duration, intensity, and type of impacts both positive and negative (see current CEQ regulations/guidance at NEPA.gov):*
 - *Context – consider whether the impact will be site-specific or local or at a larger scale, such as regional or even national or global.*
 - *Duration – consider whether the impact is short- or long-term. Short-term impacts are temporary, transitional, or construction related. Long-term impacts are those lasting several years or more or are permanent.*
 - *Intensity – refers to the severity of the impact. Several factors should be considered, including the balance of beneficial and adverse impacts; effects to public health; unique characteristics of the project area or proximity to special resources; degree of controversy; degree of uncertainty or unique/unknown risks; establishment of a precedent for future actions; relation to other actions with cumulatively significant impacts; adverse effects to historic properties or other cultural resources; nature of effects to listed threatened or endangered species; and possible violations of Federal, State or local environmental laws.*
10. *Identify potential best management practices and/or mitigation measures that will be used. Whereas best management practices are those that may be beneficial to environmental outcomes and are suggested/planned, mitigation measures are practices that may be necessary to avoid or minimize any adverse impacts. Mitigation measures are legally binding and should be developed jointly with NTIA environmental staff and the applicable environmental regulatory or natural resource agency. A list of these could be presented in table form.*
11. *Identify and evaluate cumulative impacts. Cumulative impacts take into consideration any Proposed Action activities that may be additive or that interact with existing conditions or planned activities not specifically related to the project and not addressed in other sections of Section 5. A few examples of the type of activities that would, if applicable, be analyzed in this section include, but are not limited to:*
 - *Working along active roadways where other road construction activities are planned.*
 - *Working in the vicinity of streams at times when unrelated work near the same streams might be expected.*
 - *Building an access road that will encourage access that was not previously available.*
 - *Providing broadband access in an area that will contribute to growth.*
 - *This analysis may require contacting state/municipal planning and permitting entities to understand what other activities might occur at the time of the project that could result in cumulative*

12. *The results of any consultation or coordination with resource agencies need to be discussed in the appropriate resource area section of this chapter. Note that consultations with the USFWS and SHPO must be completed, and the conclusions discussed in the text before an EA may be finalized. Any ongoing or future permitting activities need to be discussed under the appropriate resource area. A summary and listing of all consultations should be presented in Section 7 of the EA and copies of correspondence should be included in an appropriate appendix.*

5.1 Aesthetic and Visual Resources

5.2 Air Quality

5.3 Geology and Soils

5.4 Water Resources

5.5 Biological Resources

5.6 Historic and Cultural Resources

5.7 Aesthetic and Visual Resources

5.8 Land Use

5.9 Infrastructure

5.10 Socioeconomic Resources

5.11 Human Health and Safety

5.12 Cumulative Impacts

Guidance

To summarize the narrative descriptions of impacts, it might be helpful to summarize impacts in a table as shown below, adding alternatives as appropriate.

Table 5-1 Comparison of the Potential Environmental Impacts by Alternative

Alternative	Potential Impacts
Soils and Geographic Hazards	
Proposed Action	SAMPLE TEXT Impacts would be low-to-moderate during transmission structure work including burying guy wire anchors; reconstruction or improvement of roads; compaction in areas used as staging areas and pulling/tensioning sites; or potential contamination from wood-pole preservative or accidental equipment spills. Approximately 80 acres would be temporarily disturbed during structure work with about 2.5 acres permanently impacted adjacent to structures.

No Action Alternative	SAMPLE TEXT Since no transmission structures would be constructed, there would be no impacts. However, in order to keep the existing infrastructure operating, emergency repairs would be needed that would cause low impacts that would be spread out over time as needed. Emergency repairs during wet seasons could increase risk of erosion and soil compaction.
Alternative 1 (ETC)	ETC.
Vegetation	
Proposed Action	
No Action Alternative	
Water Resources, Floodplains, and Fish	
Proposed Action	
No Action Alternative	
Wetlands	
Proposed Action	
No Action Alternative	
Wildlife	
Proposed Action	
No Action Alternative	
Cultural Resources	
Proposed Action	
No Action Alternative	

6.0 Applicable Environmental Permits and Regulatory Requirements

Guidance

This chapter should provide a complete listing of the applicable permitting and regulatory requirements which would include identification of the regulatory requirement, a short description of the requirement, and the status of project compliance.

Table 6-1 Potential Applicable Statutory, Regulatory, and Other Requirements

Potentially Applicable Requirement	Relevant Project Information
All Resources	
National Environmental Policy Act (NEPA) of 1969 42 U.S.C. § 4321 et seq.	<i>Summarize compliance, as applicable.</i>
Vegetation, Wildlife, and Fish	
Endangered Species Act of 1973 16 U.S.C. § 1531 et seq.	<i>Summarize compliance, as applicable.</i>
Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) of 1976 16 U.S.C. 1801 et seq.	<i>Summarize compliance, as applicable.</i>
Bald Eagle and Golden Eagle Protection Act (Eagle Act) of 1940 16 U.S.C. § 668-668d	<i>Summarize compliance, as applicable.</i>
Migratory Bird Treaty Act (MBTA) of 1918 16 U.S.C. § 703-712 Responsibilities to Federal Agencies to Protect Migratory Birds Executive Order 13186	<i>Summarize compliance, as applicable.</i>
Fish and Wildlife Conservation Act 16 U.S.C. § 2901 et seq. Fish and Wildlife Coordination Act 16 U.S.C. § 661 et seq.	<i>Summarize compliance, as applicable.</i>
Waters, Wetlands, and Floodplain Protection	
Clean Water Act 33 U.S.C. § 1251 et seq. Floodplain/Wetlands Environmental Review Requirements 10 CFR 1022.12 Floodplain Management Executive Order 11988	<i>Summarize compliance, as applicable.</i>
Protection of Wetlands Executive Order 11990	
Coastal Zone Management Act (CZMA) 16 U.S.C. § 1451 et seq.	<i>Summarize compliance, as applicable.</i>

Air Quality and Greenhouse Gases	
The Clean Air Act, as revised in 1990 42 U.S.C. § 4701	<i>Summarize compliance, as applicable</i>
Final Mandatory Reporting of Greenhouse Gases Rule 40 CFR 98 Federal Leadership in Environmental, Energy, and Economic Performance Executive Order 13514	<i>Summarize compliance, as applicable</i>
Cultural and Historic Resources	
Antiquities Act of 1906 16 U.S.C. § 431-433 Historic Sites Act of 1935 16 U.S.C. § 461-467 National Historic Preservation Act (NHPA), as amended, inclusive of Section 106 54 U.S.C. § 306108 et seq. Archaeological Data Preservation Act of 1974 (16 U.S.C. § 469 – 469-1) Archaeological Resources Protection Act of 1979, as amended 16 U.S.C. § 469 a-c Native American Graves Protection and Repatriation Act 25 U.S.C. § 3001 et seq. Indian Sacred Sites Executive Order 13007 American Indian Religious Freedom Act of 1978 (42 U.S.C. § 1996)	<i>Summarize compliance, as applicable</i>
Noise, Public Health, and Safety	
Noise Control Act of 1972 42 U.S.C. § 4901 et seq.	<i>Summarize compliance, as applicable</i>
Spill Prevention Control and Countermeasures Rule	<i>Summarize compliance, as applicable</i>

40 CFR 112 Comprehensive Environmental Response, Compensation, and Liability Act 42 U.S.C. § 9601 et seq. Resource Conservation and Recovery Act 42 U.S.C. § 6901 et seq.	
The Toxic Substances Control Act 15 U.S.C. 2601 et seq.	<i>Summarize compliance, as applicable</i>
Federal Communications Commission (FCC)	<i>Summarize compliance, as applicable</i>

7.0 Consultations

Guidance

In this section a list of the agencies and individuals that were contacted in the process of developing the EA should be provided. A copy of correspondence should be attached in an appendix.

Agency and Name	Consultation	Status
SHPO – Joan Doe. State of Any on MM/DD/YYYY 555-555-5555	Section 106 Historic Preservation Consultation	Complete: SHPO Letter received on DD/MM/YYYY

8.0 Consultations

Guidance

Only information sources used in the EA should appear in the reference list. The reference list should include the author's name, date and title of publication, communication type (if applicable), internet resource, and other reference sources. If data were gathered through personal communication, then the name of the persons involved, and date of the communication should be included.