

## Fixed Amount Subaward Overview

The following resource provides Broadband Equity, Access, and Deployment (BEAD) program Eligible Entities (EEs) with guidance on fixed amount subawards, which are only allowed for subgrants in which the major purpose of the project is broadband infrastructure deployment. For applications, exemptions, and further details on the Uniform Guidance, see the [Uniform Guidance Policy Notice](#).

## What is a Fixed Amount Subaward?

A fixed amount subaward is a type of subgrant agreement where payments are based on meeting specific requirements of the federal award (e.g., performance and results), rather than actual costs incurred. This type of award reduces some of the administrative burden for the recipient and subrecipient. **Figure 1** highlights the some of the different ways fixed amount subawards may be structured.

**Figure 1: Types of Fixed Amount Subawards**



Subgrantee receives **several partial payments upon completion of milestones**. The milestones and amount of each payment are agreed upon in advance and set forth in the federal award. Objectives can be either tangible or abstract.



Subgrantee receives **payment for a defined unit or units** at a defined price as identified in the subaward agreement. The units and unit prices are agreed upon in advance and set forth in the subaward.



**Subgrantee receives a single payment upon completion of the project, following verification by the grantee.**

Note: Costs must be reimbursed to subgrantees in accordance with either objectives met, units built, or total project complete. An EE **may not** provide advance payments, or reimburse any amount of a fixed amount subgrant, upfront or before the agreed upon milestone is met.

This document is intended solely to assist applicants in better understanding the Broadband Equity Access, and Deployment (BEAD) grant program and the requirements set forth in the Notice of Funding Opportunity (NOFO) and follow-on policies and guidance for this program. This document does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, the terms and conditions of the award, or the specific application requirements set forth in the NOFO. In all cases, statutory and regulatory mandates, the terms and conditions of the award, the requirements set forth in the NOFO, and follow-on policies and guidance, shall prevail over any inconsistencies contained in this document.

# Fixed Amount Subaward Overview cont.

## Considerations

Fixed amount subawards are only allowed where the **major purpose of the subgrant is a broadband infrastructure project**. When considering fixed amount subawards, keep the following in mind:

-  NTIA is permitting greater flexibility in the requirements that apply to fixed amount subgrants. See the second half of this page for additional information.
-  Some state procurement laws may not allow fixed amount subawards.
-  Fixed amount subawards may reduce the administrative burden for subgrantees but require more robust monitoring from the EE to mitigate fraud, waste, and abuse.
-  Eligible Entities run the risk of the grant amount not aligning with the amount the subgrantee paid for a project if the subgrantee completes tasks above or below the fixed cost outlined in the subgrantee agreement.

## More Flexible Requirements

If an EE chooses to use fixed amount subawards, several requirements in 2 CFR 200 do not apply, as described below:

### Cost Principles

The Uniform Guidance establishes principles for grantees to use when determining allowable costs for subgrantees. Cost principles or other pricing information are used as a guide when budgeting for the work that will be performed under the fixed amount subaward.

**Subgrantees that receive a fixed amount subaward are not required to comply with the cost principles requirements of the Uniform Guidance.**

### Procurement

The Uniform Guidance generally imposes procurement rules on grantees and subgrantees to ensure that procurement processes sufficiently guard against fraud, waste, and abuse.

**Subgrantees that receive a fixed amount subaward are not required to comply with the procurement practices of the Uniform Guidance.**

### Property Standards

The Uniform Guidance generally imposes property standards to hold grantees accountable on their investment to deliver for the American people. **Subgrantees that receive a fixed amount subaward have more flexible property standard options.**