Reporting and Compliance for Grants

ICA – Annual Meeting 2024

Wednesday – March 27th, 2024

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Today's Presenter

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Grant Funding and ALL that Comes with It!

- Overview of Main Funding Opportunities
  - Capital Projects Fund
  - RUS ReConnect
  - BEAD
  - Empower Rural Iowa Broadband
- Reporting & Compliance Requirements
- Gotchas – Lessons Learned

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Treasury Capital Projects Fund

U.S. DEPARTMENT OF THE TREASURY

- Coronavirus Capital Project Fund - $10B Nationwide
  - 50 States + District of Columbia Approved to Date
  - Projects Should Prioritize
    - Connecting Locations with Poor / Inadequate Access
    - Supporting Recovery from COVID for Health / Telework by Improving Infrastructure
    - Providing Reliable – Affordable Broadband
  - Funds to be Expended by December 31, 2026

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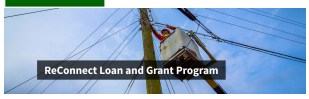
RUS Reconnect

USDA



- Four Rounds of Funding To Date
  - Total of $4.79B awarded to date
  - Rules / Procedures 7 CFR Part 1740
- Round 5 – Window **Opened March 22nd** - $700M Budget
- Application Heavy Lift
  - Total Company View – 5 Year Plan - CapEx Budgets / Subscribers / Financials

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RUS Reconnect – Round 5

- Applications with Grant Component – Competitively Scored – Total 150 Points

Criteria	Scoring
Rurality of PFSA	25 points
Economic Need of Community (Based on county poverty percentage)	20 points
Affordability	20 points
Labor Standards (Prevailing wages, labor/employment laws compliance, and skilled workforce)	20 points
Tribal Lands	15 points
Local Govt – Non-Profits - Cooperatives	15 points
Socially Vulnerable Communities	15 points
Net Neutrality	10 points
Most Unserved Locations Per Square Mile	10 points

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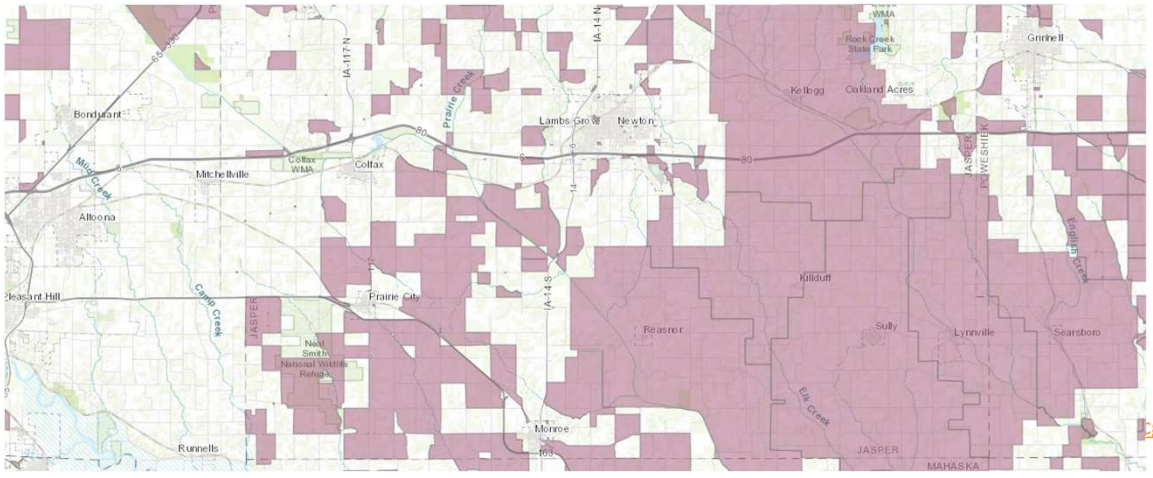
RUS Reconnect – Maps Available



gis.com

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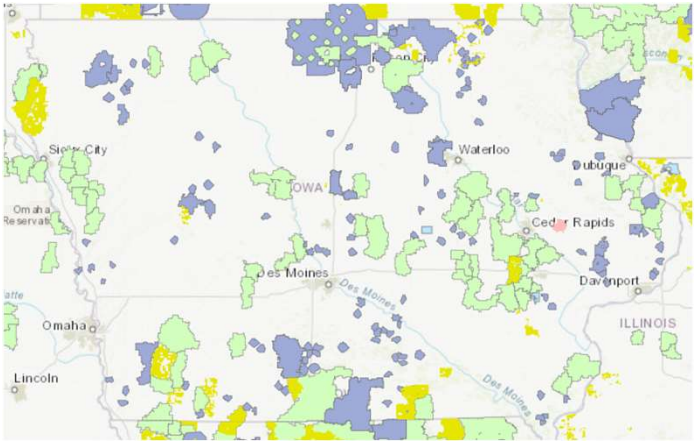
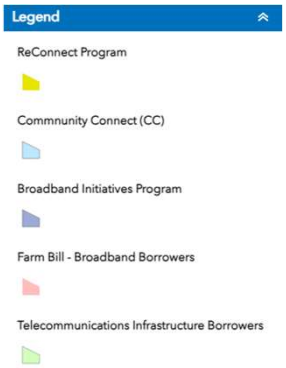
USDA– Maps Available





https://ruraldevelopment.maps.arcgis.com/apps/webappviewer/index

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BEAD Funding

- $42.45B "Broadband Equity, Access, and Deployment" Grant Program
  - Administered by the NTIA
  - State Allocation
    - Minimum Allocation
    - High-Cost Allocation
    - Remaining Funds Allocation

$415,331,313.00
Total Allocated

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BEAD Timeline – Been a Long Time!

BEAD PROGRAM TIMELINE

BEAD TIMELINE	DATE
5-Year Action Plan Submitted to NTIA	8/28/2023
Initial Proposal Public Comment Window Opens	11/15/2023
Initial Proposal Public Comment Window Closes	12/15/2023
Initial Proposal Public Comments Posted Online	12/27/2023
Initial Proposal Final Draft Submitted to NTIA	12/27/2023
5-Year Action Plan Posted Online	2/2/24

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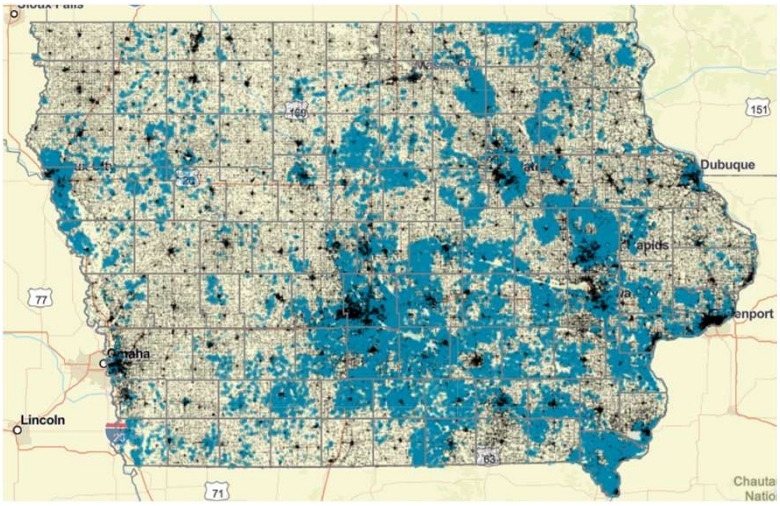
Identifying BEAD Eligible / Ineligible Areas



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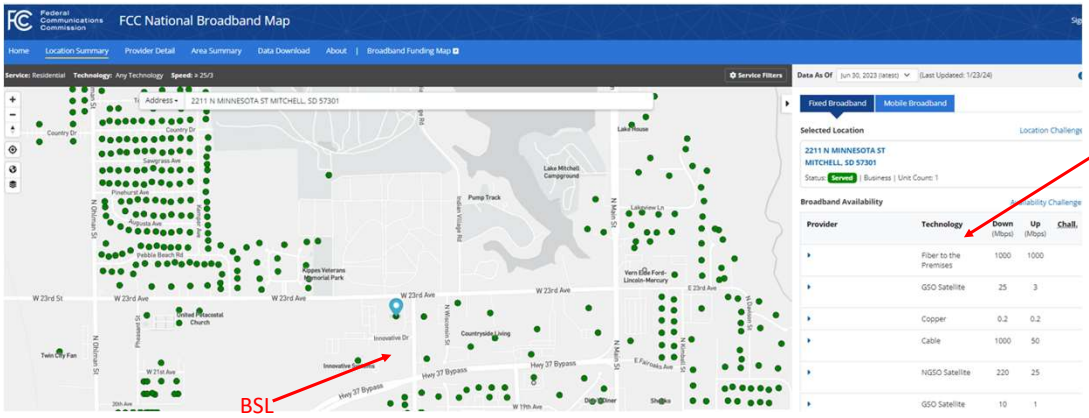
Identifying BEAD Eligible / Ineligible Areas



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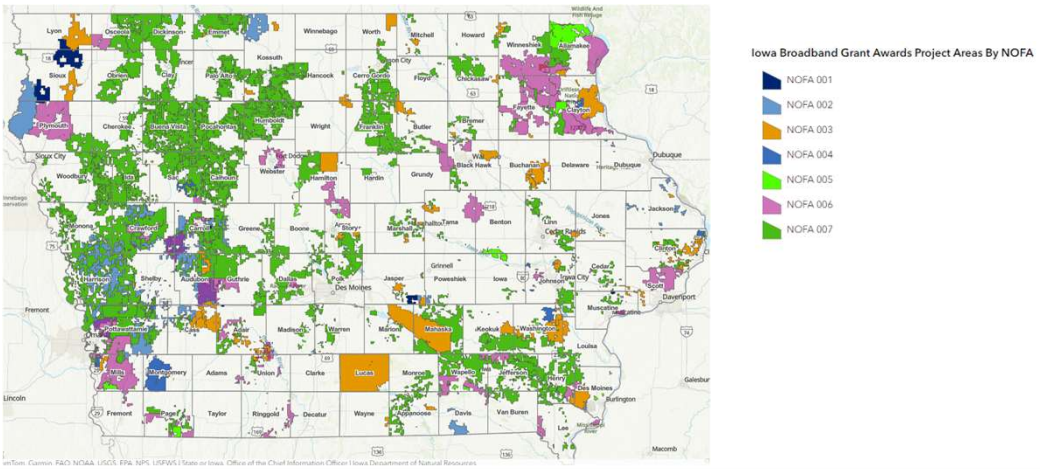
Empower Rural Iowa Broadband Grant Program

- Total Awarded – 8 Rounds – over $517M



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You're an Awardee!!

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RUS Program Requirements

Report Name	Reporting Frequency	Creation Date	Due Date
Financial Report	Quarterly	First day of the calendar year quarter after funds are released (ReConnect) or legal agreement date exists (other Telecommunications sub-programs)	30 days after creation date
System Data Report	Annually	First day of the calendar year after funds are released (ReConnect) or legal agreement date exists (other Telecommunications sub-programs)	January 31
Audit Report	Annually	First day of the entity's fiscal year after the first advance occurs	Based on audit review type: **7 CFR 1773**: 120 days after creation date **2 CFR 200**: 276 days after creation date

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RUS Program Requirements

Report Name	Reporting Frequency	Creation Date	Due Date
Construction Progress Report	Annually	First day of the calendar year	January 31
Annual Performance Report	Annually for a period of **three years** following the year that construction was completed and certified in the R&C	First day of the calendar year following the year that construction was completed and certified in the R&C	January 31
Close Out Report	N/A	Created following the event that occurs last: • the expiration date of the award • termination of the award • project completion • final disbursement of the award by the awardee	120 days after creation date
Annual Project Performance Activity Report	Annually	First day of the calendar year	January 31
Final Project Performance Activity Report	N/A	Same as Close Out Report creation requirements	120 days after creation date

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RUS Financial and Audit Reporting

- Account Level Reports (6 Total)
  - Network Access Services Revenue
  - Non-Operating Net Income
  - Income Statement
  - Balance Sheet
  - Statement of Cash Flows
  - Subscriber Data
- Audit Report

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RUS Project Reporting

- System Data
- Construction Progress
- Performance
- Close Out

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Other Funding Reporting Requirements - CPF

- Semi-Annual Report (at least, may be more)
  - Address locations
  - Type of facilities constructed
  - Speeds
  - Retail Rates
  - Status of Agreements
  - Financial Reports
  - Labor Status
- Compliance with **2 CFR Part 200**

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BEAD Funding Requirements – Items to be Aware of!

- *Participate in Affordable Connectivity Program (ACP)*
- Cybersecurity Risk Management Plan
  - Reflects NIST Framework
- Supply Chain Risk Management Plan
- Irrevocable Letter of Credit Required – Equal to 25% of Grant
  - Letter of Opinion from Legal - Bankruptcy
- Open Access – Wholesale

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Irrevocable Standby Letter of Credit

- Similar Model LOC Similar to RDOF LOC
- Bank Eligibility Requirements defined in 47 C.F.R. § 54.804(c)(2)
- No Less than 25% of Subaward Amount
  - Potential opportunity for adjustment based on optional / required service milestones
- Partial Waiver
  - Performance Bonds – 100%
- Legal Opinion Letter on Bankruptcy Court
  - LOC would not be property of bankruptcy estate

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BEAD Reporting

- States Required to Report to NTIA
- Providers Required to Report to State
  - List of addresses/location
    - Identify type
  - Aggregate percentage of take rates
  - Peak / Off-Peak actual speeds
  - Advertised speeds / retail rates
  - SF-425 Form
  - Over $5M – Certifications on Workforce
  - Other reporting requirements per the State

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Empower Rural Iowa Broadband Grant Program

- Reporting Requirements
  - Active SAM.gov registration
  - Field Validation Process
  - Affordable Connectivity Program Participation
  - Proof of Purchase/Proof of Payment
  - Quarterly Status Reporting

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Funding Considerations - Overall

- Program Covenants and Restrictions
  - Each Program Different
    - Build out obligation
    - Financial covenants
    - Lien on assets
    - Reporting obligations
    - Potential Davis Bacon Impacts
    - Procurement requirements

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Gotchas…….

- Assuming Each Program is Same - One Size Fits All!
- Documentation – Or Lack Of!
- Be Organized – From the Start!
- Accounting Records – Invoicing - Reimbursements!
- Assuming a Waiver – Not a Guarantee!

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Closing Thoughts…..

- Funding assistance is beneficial to the build of the project.
- Complete Due Diligence on requirements associated with the funding.
- Know what you are getting in for.
- Free Money is Great…..BUT……is it Really Free??

Be Prepared!

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Here for all your questions:

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