

FCC Grants Manual



**Federal Communications Commission
Consumer and Governmental Affairs Bureau**

December 2023

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Each section of this FCC Grants Manual contains information and instructions relevant to the administrations of federal financial assistance authorized from the Federal Communications Commission. All grant recipients should read this document in its entirety so that they have the information they need to be good stewards of FCC grant funds through the period of performance.

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MANUAL UPDATES

This section summarizes changes that have been made to the FCC Grants Manual since the original version (Version 1.0) was publicly released in June 2023.

Version 2.0 Updates

Page Number	Section	Change
9	2.4 Grants Infrastructure – Table 4 (Grant Systems)	Clarifies that all applicants must obtain and maintain an active SAM.gov registration through the period of performance.
14	3.3 Notice of Award Issuance	Clarifies responsibility of recipient for cost sharing and matching.
15	4.1 Grant Administrative Requirements – SAM.gov Registration	Clarifies that all recipients, subrecipients, and contractors are required to acquire and maintain an active SAM.gov registration and SAM.gov-provided Unique Entity ID (UEI) through the period of performance.
16-18	4.1 Grant Administrative Requirements – Cost Sharing and Matching	Clarifies existing language on cost sharing and matching and expounds on information on cost sharing and matching. Added in section for information on Cost Sharing and Matching Provisions.
20-21	4.1 Grant Administrative Requirements - Allowable Cost Categories	Clarifies that for allowable travel costs, costs must be reasonable in nature and itemized in the approved project plan. Recipients are not permitted to use travel funding to attend/host meetings or conferences. Executive travel and any travel for planning purposes is not allowed. Contingency costs will not be approved.
25	4.1 Grant Administrative Requirements – Subrecipient and Contractor Determinations	Clarifies requirements for subrecipients and contractors.
26	4.2 Financial Management and Payment Processing	Added in subsection on Payment Management System.
26	4.2 Financial Management and Payment Processing	Added in subsection on Reimbursement Payment Guidelines.
27	4.2 Financial Management and Payment Processing	Added in subsection on Payment to States.
27	4.2 Financial Management and Payment Processing	Added in subsection on Third-party In-kind Contributions as Cost Share and Matching

Page Number	Section	Change
27	4.2 Financial Management and Payment Processing	Added in subsection on Valuation of Donated Services
27	4.2 Financial Management and Payment Processing	Added in subsection on Valuation of Donated Supplies, Equipment, Buildings, and Land
27-28	4.2 Financial Management and Payment Processing	Added in subsection on Procurement and Cost Principles
28-29	4.2 Financial Management and Payment Processing	Added in subsection on Direct Costs v Indirect Costs
29	4.2 Financial Management and Payment Processing	Added in subsection on Indirect Costs
29	4.2 Financial Management and Payment Processing	Added in subsection on Federally Negotiated Indirect Cost Rates and Provisions
29	4.2 Financial Management and Payment Processing	Inserted resources.
31	4.3 Reporting Requirements – Federal Financial Report	Clarifies that the grant recipient can contact their assigned Grants Management Specialist if they are unable to find the FFR in the Payment Management Services (PMS) Federal Financial Reporting (FFR) module.
31	4.3 Reporting Requirements – Other Reporting Requirements	Clarifies the format that must be used to find the award in order to file a FFATA subaward report at www.fsr.gov .
32	4.4 Modifications and Amendments – No-Cost Budget Modification Revision	Clarifies that for budget modifications less than 10 percent no budget modification amendment is required as long as there is funding across existing cost categories, a simple request explaining the reason is sufficient. For requests greater than 10 percent of the award amount or requests for a new cost category, an amendment is required.
33-37	4.4 Modifications and Amendments – Table 7 (Authorized Amendment and Modification Types in GrantSolutions)	Added a new table that includes allowable amendment types, a description of each amendment type, clarifies who can initiate the amendment and the level of detail needed for the amendment request.
39	4.6 Desk Reviews and On-site Monitoring – Flow-Down of Requirements under Subawards and Contracts under Grants	Clarifies requirements that are included in a recipient’s NoA do not automatically apply to subrecipients or contractors.

Section 1. FCC Grants Manual

As stewards of federal funds, the Federal Communications Commission (FCC or Commission) and outreach grant recipients both share a responsibility to ensure funds are well-invested and well-managed in accordance with federal regulations, agency policy, and Office and Management and Budget (OMB) uniform administrative guidance.

The FCC Consumer and Governmental Affairs Bureau (CGB) developed this FCC Grants Manual to ensure grant recipients (grant recipients, recipients, or grantees) awarded grant funds understand the requirements of accepting an award. This Manual is the official repository of the policies and procedures for the administration of grants administered by the FCC. As a result, this document should serve as the primary reference and day-to-day management tool for FCC grant recipients and subrecipients in all financial management and grant administration matters.

Section 2. FCC Grants Management Process

This section describes the FCC, grant portfolio, applicable laws governing the administration of open grant awards, and its grant-making authority under the Infrastructure Investment and Jobs Act of 2021, Division J, Title IV, Public Law 117-58, 135 Stat. 429 (November 15, 2021) ([47 USC 1752\(b\)\(10\)\(C\)](#)).

2.1 About the FCC

The Federal Communications Commission regulates interstate and international communications by radio, television, wire, satellite and cable in all 50 states, the District of Columbia and U.S. territories. An independent U.S. government agency overseen by Congress, the commission is the United States' primary authority for communications law, regulation and technological innovation. In its work facing economic opportunities and challenges associated with rapidly evolving advances in global communications, the agency capitalizes on its competencies in:

- Promoting competition, innovation and investment in broadband services and facilities
- Supporting the nation's economy by ensuring an appropriate competitive framework for the unfolding of the communications revolution
- Encouraging the highest and best use of spectrum domestically and internationally
- Revising media regulations so that new technologies flourish alongside diversity and localism
- Providing leadership in strengthening the defense of the nation's communications infrastructure

2.2 FCC Grant-Making Authority

The [Affordable Connectivity Program](#) is a \$14.2 billion FCC benefit program that helps ensure that qualifying low-income households can afford the broadband they need for work, school, healthcare and more. The ACP is the successor program to the Emergency Broadband Benefit Program which was established pursuant to the Consolidated Appropriations Act of 2021 to provide discounted broadband service to low-income households, including those experiencing economic disruption related to the COVID-19 pandemic. The ACP benefit provides a discount of up to \$30 per month toward internet service for eligible households and up to \$75 per month for households on qualifying Tribal lands. Eligible households can also receive a one-time discount

of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers if they contribute more than \$10 and less than \$50 toward the purchase price. The ACP is limited to one monthly service discount and one device discount per household.

On August 5, 2022, the FCC established the ACP Outreach Grant Program to raise awareness about the nation’s largest ever broadband affordability effort, the ACP. The [ACP Grant Program Second Report and Order](#) approved by the FCC directs CGB to develop, administer, and manage the grant program, with a focus on reaching historically underserved communities.

To raise awareness of the ACP benefit, Congress included a provision in the Infrastructure Act for the FCC to conduct and fund ACP outreach, including providing grants to outreach partners to ensure that eligible households can learn about the program and receive assistance with the application process. The FCC established a budget of up to \$100 million to fund ACP outreach efforts and established rules for the ACP. Up to \$80 million in funding for the ACP Outreach Grant Program will come from the \$100 million designated for ACP outreach. These grants support eligible governmental and non-governmental partners in conducting a wide range of innovative outreach activities to raise awareness of the ACP and increase enrollment among eligible households.

2.3 FCC Authorized Grant Program(s) Portfolio

The FCC grants portfolio is comprised of four complementary outreach grants, the Affordable Connectivity Outreach Grant Program (ACP Outreach Grant Program) as described in [Table 1](#).

- National Competitive Outreach Program (NCOP)
- Tribal Competitive Outreach Program (TCOP)
- Your Home, Your Internet (YHYI) Outreach Grants
- ACP Navigator Pilot Program (NPP) Outreach Grants

NCOP and TCOP funding was released in the FY 2023 ACP Outreach Grant Program Notice of Funding Opportunity (NOFO) while YHYI Outreach Grants and NPP Outreach Grants were released in a separate FY 2023 ACP Outreach Grant Program – Pilot Programs (Pilot Program Outreach Grants) NOFO.

Table 1 - ACP Outreach Grant Programs

ACP Outreach Grant Program	FY 2023 Funding	Program Overview
National Competitive Outreach Program (NCOP)	\$10 million	NCOP funds outreach activities to increase awareness of and encourage participation in the ACP for eligible low-income households.
Tribal Competitive Outreach Program (TCOP)	\$10 million (minimum)	TCOP funds outreach activities to increase awareness of and encourage participation in the ACP for households on tribal lands.
Your Home, Your Internet (YHYI) Outreach Grants	\$5 million	YHYI Outreach Grants fund outreach activities, including application assistance, to increase awareness and encourage participation in the ACP for households receiving federal housing assistance.

ACP Outreach Grant Program	FY 2023 Funding	Program Overview
Navigator Pilot Program (NPP) Outreach Grants	\$5 million	NPP Outreach Grants fund outreach activities, including application assistance, by trusted, neutral third-party entities or other local or state government entities to increase awareness and encourage participation in the ACP among eligible households.

2.4 Grants Infrastructure

The FCC grants portfolio is managed by dedicated staff throughout the agency using multiple systems in ensure grant recipients can properly implement approved outreach activities in accordance with applicable federal award administrative regulations.

Staff Roles: FCC and Grant Recipients

Both FCC and grant recipient staff members play pivotal roles in ensure approved outreach activities are implemented. [Table 2](#) details the roles FCC key staff play in the grants management process; the Commission recognizes that additional staff members may be involved in grants-related activities.

Table 2 – FCC Key Staff Roles & Responsibilities

FCC Key Staff	Roles and Responsibilities
Program Officer (PO)	The PO is the FCC federal employee responsible for the programmatic aspects of assigned applications and grants. The PO’s responsibilities include, but are not limited to, development of programs to meet the FCC’s mission and regulatory requirements; preparation of the Notice of Funding Opportunity (NOFO); provision of programmatic technical assistance; post-award monitoring of project/program performance, including review of progress reports and attending site visits; and other activities complementary to those of the GMO. The PO and the Grant Management Officer (GMO) work as a team in many of these activities.
Grants Management Officer (GMO)	The GMO is the FCC federal employee whose name appears on the Notice of Award (NOA) and is the official responsible for the business management and other non-programmatic aspects of an award. These activities include, but are not limited to, evaluating grant applications for administrative content and compliance with statutes, regulations, and guidelines; negotiating awards; providing consultation and technical assistance to applicants and recipients, including interpretation of grant administration policies and provisions; and administering and closing out grants. The GMO is the focal point for receiving and acting on requests for prior approval or for changes in the terms and conditions of award. The GMO is the only official authorized to obligate the FCC to the expenditure of Federal funds or to change the funding, duration, or other terms and conditions of an award. The GMO works closely with his/her counterparts at the recipient organization and with the designated FCC Program Officer.
Grants Management Specialist (GMS)	The GMS is an FCC federal employee with assigned responsibility for the day-to-day management of a portfolio of open grant awards. The GMS performs many of the activities described above on behalf of the GMO and usually is the

FCC Key Staff	Roles and Responsibilities
	primary point of contact for the recipient when dealing with grant-related issues.
National Community Impact Manager (NCIM)	The NCIM is an FCC federal employee who can provide advice and strategies into ACP outreach strategies. The NCIM serves as the connecting touchpoint between FCC Headquarters and grant recipients in the field. As a result, the NCIM may be contacted should a grant recipient require assistance with identifying points of contact to assist with planning, determining the best methods to publicize events, or collecting lessons learned and best practices from outreach events to share with FCC Headquarters and other grant recipients.

The FCC awards grants to eligible governmental and non-governmental entities. Upon awards, these entities are legally accountable for the performance of the award and the expenditure of funds. [Table 3](#) details the roles key grantee staff play in the grants management process, who serve as agents of the recipient.

Table 3 - Grant Recipient Key Staff Roles & Responsibilities

Recipient Key Staff	Roles and Responsibilities
Grant Recipient	The recipient is an eligible governmental or non-governmental entity that carries out a Federal award as a recipient or sub-recipient. For purposes of this guide, the definition of non-Federal entity is expanded to include for-profit unless explicitly stated otherwise. As defined in 2 CFR Part 200, a recipient is an entity that receives funding directly from a Federal awarding agency to carry out an activity under a Federal program. A sub-recipient receives a sub-award from a pass-through entity to carry out part of Federal Program. See 2 CFR §200.1 for more detail.
Authorized Organizational Representative (AOR)	The AOR is the designated representative of the applicant/recipient organization with authority to act on the organization’s behalf in matters related to the award and administration of grants. In signing a grant application, 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 any assurances, if a grant is awarded. These responsibilities include accountability both for the appropriate use of funds awarded and the performance of the grant-supported project or activities as specified in the approved application. Although FCC requires that the recipient organization designate such an individual, the FCC does not specify the organizational location or full set of responsibilities for this individual.
Principal Investigator/Program or Project Director (PI/PD)	The PI/PD is the individual, designated by the recipient, responsible for the programmatic aspects of the grant and for day-to-day management of the project or program. The PI/PD generally is an employee of the recipient. However, because the grant, if awarded, is made to the recipient, if the PI/PD is not an employee of that entity, the organization must have a formal written agreement with the PI/PD that specifies an official relationship between the parties even if the relationship does not involve a salary or other form of remuneration. If the PI/PD is not an employee of the applicant organization,

Recipient Key Staff	Roles and Responsibilities
	<p>FCC will assess whether the arrangement will result in the organization being able to fulfill its responsibilities under the grant, if awarded.</p> <p>The PI/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 within the recipient organization to create and maintain necessary documentation, including both technical and administrative reports; prepare justifications; appropriately acknowledge Federal support in publications, announcements, news programs, and other media; and ensure compliance with other Federal and organizational requirements. The PI/PD is encouraged to maintain contact with the PO with respect to the programmatic aspects of the project or program and, as applicable, the GMO concerning the business and administrative aspects of the award.</p>
Key Personnel	<p>Key personnel include roles such as the PI/PD, or other designated personnel named in the award as chiefly responsible for programmatic activities conducted under the award. The FCC reserves the right to identify individuals as key personnel.</p>

Entities receiving FCC grant funds, whether such funds are received directly from the FCC, indirectly under a subaward or contract are responsible for and must adhere to all applicable Federal statutes, regulations, and policies. These recipients also are expected to be in compliance with applicable state and local laws and ordinances.

Grant Systems

The FCC has selected multiple systems to aide in the grants management process to ensure applications are processed in a timely manner, awards are administered, open grants are monitored in accordance with applicable regulations, and payments are distributed promptly. [Table 4](#) includes a summary of each system and how it is used throughout the lifecycle.

Table 4 - Grant Systems

Grants System	Description
System for Awards Management (SAM)	<p>The System for Awards Management (SAM) is a platform through which entities applying to receive awards from the U.S. Federal Government must register. SAM.gov Allows applicants to look-up or request a unique UEI (SAM) number, which is required when registering on Grants.gov. Potential applicants are encouraged to allow at least 4 weeks to receive their UEI and confirmation of SAM.gov entity registration, but this process can take longer. An active UEI is required for the entire period of performance; failure to maintain an active SAM.gov entity registration and SAM.gov-provided UEI could result in a financial hold on available funds for all open grants.</p>
Grants.gov	<p>Grants.gov provides a common website for federal agencies to post discretionary funding opportunities and for grantees to find and apply to them. This website provides a centralized location for grant seekers to find and apply for federal funding opportunities. FCC will post all available grant</p>

Grants System	Description
	opportunities to Grants.gov; applicants are required to apply for funding consideration through the Grants.gov website.
GrantSolutions (GS)	GrantSolutions a shared-services comprehensive grants management system where grant applicants, grant recipients, and federal staff can perform and monitor the status of their respective grants management activities. The FCC uses GrantSolutions to review grant applications, issue Notices of Award, monitor reporting requirements, track grantee engagement, and close out grant awards. Grantees must use GrantSolutions to request technical assistance, submit amendment requests, submit reporting requirements, and engage with their assigned GMS.
Payment Management Services (PMS)	Payment Management Services is a shared-services platform that handles the grant payment requests and disbursement reporting activities of grant recipients and grant-making agencies. The FCC will use PMS to monitor award drawdowns and financial reporting requirements. Grantees will use PMS to drawdown allowable reimbursable funding through the period of performance.
USASpending.gov	USASpending.gov is a single, searchable website accessible to the public listing information about every Federal award, as required by the Federal Funding Accountability and Transparency Act (FFATA) of 2006. The FCC will report all grant expenditures to USASpending.gov.

2.5 Federal Award Administrative Information

As a condition of receiving Federal financial assistance, the Commission enforces recipient compliance through government-wide requirements. The FCC, grant recipients and subrecipients shall administer all FCC grant awards in accordance with applicable statutes, federal regulations, executive orders (EOs), agency policies, and the OMB uniform administrative guidance that may be associated to the expenditure of Federal funds. [Table 5](#) includes the list of requirements grant recipients are required to adhere to as a condition of accepting FCC grant funds.

Table 5 – Federal Award Administrative Requirements

Requirement	Description
OMB Uniform Administrative Guidance	2 CFR Part 200 establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities.
ACP Outreach Grant Program Second Report and Order	This Order established on August 5, 2022, directs CGB to develop, administer, and manage the grant program, with a focus on reaching historically underserved communities.
Your Home, Your Internet Report and Order	On August 5, 2022, the FCC established a pilot program titled "Your Home, Your Internet" to increase awareness and encourage participation in the ACP for households receiving federal housing assistance.
FY 2023 ACP Outreach Grant Program NOFO	This NOFO contains information and instructions relevant to the application process for the ACP Outreach Grant Program.
FY 2023 Pilot Program Outreach Grants NOFO	This NOFO contains information and instructions relevant to the application process for the Pilot Program Outreach Grants.

Recognizing that the list of requirements is robust, the Commission has established an order of precedence for all FCC open grants awards. While no conflicting guidance should exist, in the event of a discrepancy, FCC employees and grant recipients should follow the following order of precedence, listed in descending order: Public laws, Federal regulations, applicable notices published in the Federal Register, executive orders, OMB uniform administrative guidance, FCC policies (e.g., applicable Report and Order, NOFO), FCC award standard terms and conditions, and FCC award special terms and conditions (if any).

Section 3. Pre-Award Procedures

This section describes the FCC procedures to develop and release a grant opportunity, the application review and selection process, and allocation announcement leading to the award of available funds.

3.1 Notice of Funding Opportunity

For each grant opportunity, the Commission will develop and release a NOFO. The NOFO serves as the formal announcement of the availability of grant funding providing detailed information on program priorities, eligibility, selection criteria, component of the application, review process, award administration information, and post-award requirements through the period of performance. Each NOFO is posted on www.grants.gov with detailed instructions on how to submit a complete application package for funding consideration.

3.2 Application Review Process

To ensure compliance with the applicable federal statutes and regulations as well as appropriately determine the impact of proposed projects against the applicable grant program's goals, objectives, and priorities, submitted applications will undergo a three-step application review process: Compliance (eligibility) review, merit review, and budget/risk review.

As part of the Compliance Review, the FCC will determine if: The applicant is deemed an eligible entity under the applicable grant program, to include not being on the Suspension and Debarment list; the applicant successfully submitted all the required Standard Forms; and the applicant successfully submitted all the required program-specific forms.

Once an applicant is deemed eligible and all required Standard Forms and program-specific application materials have been completed and submitted, the FCC will initiate a Merit Review. During the Merit Review, each application will be reviewed by at least two or more federal reviewers who are technically and professionally qualified to conduct the review. Merit reviewers will be required to sign and submit Conflict of Interest and Confidentiality forms. Merit Reviewers will review assigned applications to ensure alignment with the program objectives, eligible activities, and related costs/budget. The purpose of this review is to assess the technical soundness and merit of the application. Merit Reviewers may not ask applicants to submit additional information to clarify or to further substantiate the representation made in their applications. Further, Merit Reviewers will not be permitted to contact the applicant to revise the application if deficiencies are identified. Merit Reviewers will evaluate each assigned application using pre-determined criteria and training.

At the conclusion of the Independent Merit Review, all average application scores will be sorted in descending order (i.e., highest scoring to lowest scoring). Applicants will be considered for funding from highest scoring to lowest scoring until available funding has been exhausted while considering programmatic factors and priorities outlined in the applicable NOFO such as geographic diversity, state minimums, and allocation minimums. Applications that are recommended for funding consideration based on the outcome of the Merit Review will undergo a pre-award risk assessment. This will include a review of the financial stability of an applicant, the quality of the applicant's management systems, the history of performance, reports, and findings from federal financial assistance audits. The risk review will also evaluate if the applicant is suspended or debarred. Upon completion of the pre-award risk assessment, the FCC will determine whether the applicant is qualified to receive the award and, if so, whether specific award conditions that correspond to the degree of risk posed by the applicant should be applied to the award.

Final results from the Merit and Risk Reviews will be used to make funding recommendations to the CGB Chief. The CGB Chief will serve as the Selecting Official and provide final approval of applicants selected for funding. The CGB Chief retains the discretion to consider other factors and information, in addition to CGB's funding recommendations.

3.3 Notice of Award Issuance

The Notice of Award (NOA) is the official legal document issued to a grantee that indicates a federal grant award has been made. The NOA is generated through <https://grantsolutions.gov>. The NOA sets forth pertinent information about the grant award, including, but not limited to the following:

- Award Number
- Statutory Authority
- Name of Recipient Organization
- Name of Project Director or Principal Investigator
- Approved Period of Performance and Budget Period Start and End Dates
- Total Amount of Federal Funds Obligated This Budget Period
- Approved Cost sharing or Matching (where applicable)
- Federal Agency Information, including Contact Information for FCC Grants Management Specialist, Grants Management Officer, and Program Official
- Recipient's IRS Employer Identification Number (EIN), and Unique Entity Identifier (UEI)

The information in FCC's NOA is organized into 3 main sections. Descriptions of key elements in each section, along with field numbers appearing on the NOA for each section, follow:

- Recipient Information (Fields 1 through 8 on NOA)
 - Program Director or Principal Investigator: Person designated by the recipient organization with the responsibility for the daily oversight of the program or project. This person should be different than the Authorized Organizational Representative.

- Authorized Organizational Representative (AOR): Acknowledges acceptance of the grant and compliance with the terms and conditions and other policies, rules, and regulations.
- Federal Agency Information (Fields 9 and 10 on NOA)
 - FCC Contact Information: Provides contact information for the Grants Management Specialist and Program Official assigned to your grant. Grant recipients are advised to always contact the Grants Management Specialist first.
- Federal Award Information (Fields 11 through 34 on NOA)
 - Statutory Authority: This is the citation for the law authorizing the FCC to award the grant.
 - Federal Award Project Title: The title of the grant-supported project. The title usually describes the essence of the project.
 - Award Action Type: This will be “New” on the initial NOA. If the NOA is amended, this field will indicate what type of amendment is being issued (e.g., NOA Revision, Budget Revision, No Cost Extension, etc.)
 - A Summary Federal Award Financial Information Subsection: Here you will find a detailed breakout of the award budget information, including the approved funding amounts for each budget category.
 - The "Total Amount of Federal Funds Obligated by the Action" is the federal grant award amount in support of the project.
 - The “Total Approved Cost Sharing or Matching, where applicable” is the non-federal share or match amount, if applicable.

Upon issuance of the NOA, Grantsolutions.gov notifies a recipient’s Authorized Organizational Representative (AOR or Authorized Official on the NOA), as submitted on the recipient’s SF-424 grant application, of the NOA’s availability via electronic mail.

Before accepting an award, a recipient’s AOR should carefully review the award package. In addition to the NOA, the award package includes instructions on administering the grant award and the terms and conditions associated with the federal award. Recipients must accept all conditions of the NOA, in addition to any special terms and conditions that are contained in the award package to receive the award.

In addition to the NOA, FCC’s award package may include additional information, as described below:

- Award Standard Terms and Conditions: Notifies the recipient that they are legally responsible and accountable to FCC for the grant-supported project. The recipient acknowledges acceptance of the grant and compliance with the terms and conditions and other policies, rules, and regulations. The Terms and Conditions provide order of precedence, which explains the laws and regulations that govern the award. Recipients are responsible for understanding and complying with the rules and regulations referenced in this section. Failure to comply with these guidelines may result in enforcement actions, up to and including termination of the award.
- Special Terms and Conditions: Lists any special program-specific and grants management terms and conditions that must be addressed by the recipient during the

award. This will not apply to all NOAs, but if applicable, holds may be placed on the grant recipients account until terms and conditions are remedied.

A recipient must accept or decline an award and associated terms and conditions no later than 30 days after the award date (the date that FCC approves the award), and before drawing down or requesting funds from the designated payment management system, HHS Payment Management Services (PMS). This can be done by logging into GrantSolutions.gov (<https://login.gov>) and following the directions in their email notification to confirm acceptance of the award or provide notice of their intent to decline the award.

Failure to accept a grant award within the 30-day timeframe may result in termination of award. Funds will remain on hold until the recipient accepts or rejects the award through <https://grantsolutions.gov> and all other pre-conditions of the award are satisfied, or until the award is otherwise rescinded by FCC. Once an award is accepted by a recipient, the contents of the NOA are binding on the recipient unless and until they are modified and a revised NOA is issued that has been signed by the FCC Grants Management Officer.

A revised NOA will be issued if there are post-award amendments made to a grant award. Post-award changes that require an amendment include changes in scope, budget, project period, or other changes to the terms and conditions of an award. Original NOAs and any amended NOAs can be accessed via GrantSolutions. Refer to Section 4.4 – Modifications and Amendments for guidance on post-award changes requiring prior approval.

Evidence of Cost Sharing (only for entities that propose voluntary committed cost share/cost match): If the applicant is recommended for an award, it will be required to provide documentation of any voluntary match proposed. Acceptable documentation of match will be in the form of letters of firm commitment (such as letters on organizational letterhead), Memoranda of Understanding or other signed agreements from entities identified as partners in the proposal. All commitment documents provided at the time of award must clearly identify the dollar amount, the source(s) of the funds, and the proposed uses, which must comply with the requirements of the NOA, and be signed by a providing organization's authorized official. Voluntary match funding will be included in the NOA. All matching funds must be used within the period of performance. Cost sharing or matching means the portion of project costs not paid by federal funds (unless otherwise authorized by federal statute). Applicants should refer to 2 CFR Part 200.306 for specific requirements.

The recipient is responsible for providing FCC the required information for cost sharing and matching. If a recipient fails to provide some or all of the required cost sharing or matching, FCC may do the following:

- **Reduce the award amount during pre-award,**
- **Make a downward adjustment of award funds during the project period; or,**
- **Disallow costs during post award.**

Section 4. Post-Award Procedures

This section describes the FCC procedures that grant recipients are required to adhere to when implementing approved projects through the period of performance.

4.1 Grant Administrative Requirements

The following administrative requirements, funding limitations, allowable, and unallowable costs are guided by the ACP Grant Program Second Report and Order, Your Home, Your Internet Third Report and Order, and accompanying NOFOs. These constraints are applicable to both the recipient and subrecipient(s) unless noted otherwise. Additionally, the FCC has adopted the Uniform Administrative Requirements, Cost Principles, and Audit Requirements set forth in 2 CFR Part 200, Subpart E as well as 2 CFR, Subtitle B, Part 6000.

Policy

Period of Performance

For FCC grant programs, grant recipients must expend awarded funding against their approved projects and supporting milestones within the allotted period of performance. Recipients are prohibited from incurring project expenses before or after the period of performance. The period of performance for a specific award can be found in Field 26 of the Notice of Award document. Extensions to the period of performance may be allowed on a case-by-case basis with prior written approval from the FCC. For additional information on period of performance extensions, please refer to Section 4.4 Modifications and Amendments.

A subrecipient's period of performance is determined by the recipient, but always within the federal period of performance. Subrecipients should review their subaward agreement for their specific project period of performance.

SAM.gov Registration

Recipients, subrecipients, and contractors must maintain a valid Unique Entity Identifier (UEI) and must maintain a valid and active SAM.gov registration throughout the entire period of performance. FCC will only remove funding holds associated with subrecipients and contractors until the grantee submits the UEI and proof of submission of a SAM.gov registration for each subrecipient and contractor. Lapses in UEI and/or SAM.gov registration will result in award noncompliance as detailed in Section 4.8 Non-Compliance and Fraud, Waste, and Abuse.

Program Income

Program income is defined in 2 CFR 200.1, except as provided in 2 CFR 200.307. Program income derived from this award must be managed according to 2 CFR 215. For FCC, the additive method of 2 CFR 200.307(e)(2) will be used to dispose of program income. Contact your assigned GMS for more information or clarification.

Cost Sharing and Matching

Voluntary committed cost sharing means cost sharing specifically pledged on a voluntary basis in the recipient's budget on the part of the FCC and that becomes a binding requirement of the Federal award.

Voluntary committed cost sharing or matching is not expected under FCC awards. Voluntary cost sharing or matching can, however, be used as a factor during the merit review of applications if it is specified in a NOFO.

As such, there are no cost sharing or matching requirements as part of the FCC suite of grant programs. However, applicants that propose a cost match or cost share received a priority consideration, in the event of a tie, when making funding determinations. Cost share or cost match may be cash or in-kind contribution. If recipient elects cost sharing or matching, the recipient must comply with 2 CFR Part 200.306.

Recipients are required to submit all documentation supporting the proposed cost share or match as part of their application package. In the event the submission is deemed to be insufficient, funding will be placed on hold until adequate documentation is provided to the assigned GMS.

As part of the recipient's cost sharing or matching, FCC shall accept any shared costs or matching funds and all contributions, including cash and third-party in-kind contributions. The recipient must ensure that its cost sharing or matching contributions meet all of the following criteria:

- Contributions can be verified from the recipient's records;
- Contributions are not included for any other federal award;
- Contributions are necessary and reasonable for accomplishment of project or program objectives;
- Contributions are allowable under 2 CFR 200, Subpart E;
- Contributions are not paid by the federal government under another federal award, except where the federal statute authorizing a program specifically provides that federal funds made available for such program can be applied to cost sharing or matching requirements of other federal programs;
- Contributions are provided for in the approved budget when required by FCC; and
- Conform to other provisions of 2 CFR 200, as applicable.

The following sources of funding are not allowable as cost sharing or matching:

- Costs paid by another federal award or subaward unless the authorizing statute permits those costs to be used as cost sharing or matching. However, a recipient is allowed to apply costs from fees or profits earned by either the recipient itself or a subrecipient from a contract awarded under another federal award.
- Costs or contributions used to satisfy a cost-sharing or matching requirement on another federal award or procurement contract.
- Costs for recipient contributions of services and property that are established in accordance with the cost principles in Subpart E of 2 CFR 200. If FCC authorizes the recipient to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching must be the

lesser of the following:

- The value of the remaining life of the property recorded in the recipient's accounting records at the time of donation; or
- The current fair market value. However, when there is sufficient justification, FCC may approve the use of the current fair market value of the donated property, even if it exceeds the value described above.
- Costs (existing, state, or local funds) that are reallocated (supplemented and not supplanted) by the recipient, unless otherwise specified by statute.

Cost sharing or matching may be provided as direct and/or indirect costs if:

- An organization treats a type of cost as an indirect cost for purposes of the organization's indirect cost rate, then contributions to an award in that category cannot be treated as a direct cost;
- A recipient may not count the use of facilities or equipment already owned by the recipient as a direct cost contribution if the cost or value of such use is reflected in the applicable indirect cost rate as depreciation or use charges; or,
- A recipient has established special or multiple indirect cost rates (the requirement for consistent classification of costs applies to the activities covered by each rate).

Third-party in-kind contributions, including volunteer services, may satisfy a cost sharing or matching requirement only when payment for them would be an allowable cost if the recipient, subrecipient, or cost-type contractor receiving the contributions were to pay for them. Charges for such contributions must be fair, reasonable, and properly justified.

Recipients must document in their records all costs and contributions used to satisfy a matching or cost-sharing requirement, which are subject to audit.

Cost Sharing and Matching Provisions

If a post-award amendment (e.g., a supplemental award), changes the amount of federal funding awarded, FCC will determine if the recipient's cost sharing or matching amount must be recalculated. FCC must also make this determination if a recipient's project costs are reduced during a budget (funding) period.

Recipients are not required to provide their cost sharing or matching before drawing down federal funds unless directed by an authorized statute.

In determining if a recipient met a cost-sharing or matching requirement, FCC will apply the required percentage to the overall amount of actual, and allowable costs (inclusive of third-party in-kind contributions), regardless of the individual category(ies) in which costs and contributions occurred.

If a recipient is not providing matching or cost sharing at an acceptable rate or cannot provide required cost sharing or matching, the FCC Grants Management Officer will consult with the Program Officer on a final determination.

The final calculation of the amount of cost sharing or matching and the assessment of recipient compliance with the cost sharing or matching shown on the NOA, must be based on actual, allowable costs (inclusive of the value of in-kind and third-party in-kind contributions).

Funding Restrictions

Neutrality of Grant-Funded Outreach Activities

Grant and subgrant recipients must maintain neutrality among participating service providers or groups of service providers when conducting grant-funded outreach activities. Eligible households can be directed to the Companies Near Me Tool or be shown the list of ACP provider(s) serving the area. If there is only one service provider serving the area, the grant or subgrant recipient may inform the eligible household of that lone provider's information. This neutrality requirement ensures that the grant funding is not being used in a manner intended to specifically increase a particular provider's program enrollment and protects eligible households' right to choose their ACP provider and the type of broadband service that best fits their needs. Grant and subgrant recipients are expressly prohibited from favoring, directing, steering, incentivizing or otherwise encouraging households to enroll with a particular provider when performing grant-funded outreach activities. When conducting grant-funded outreach, grant and subgrant recipients are also expressly prohibited from using service provider-branded items such as outreach materials, gifts, or incentives, and from offering or providing consumers gifts or other incentives provided by service providers. Grant and subgrant recipients may not accept funding in any form, including in-kind contributions, from a participating provider or a specific group of participating providers (including, but not limited to, broadband industry groups such as trade associations) for the purpose of conducting ACP outreach activities throughout the entire period of performance.

Service providers may attend grant-funded outreach events to provide eligible households information on the available service offerings to which they may apply their ACP benefit. Other service providers in the area where the outreach is conducted must have the same opportunity to attend and provide information on their services to which the ACP benefit can be applied. Companies Near Me Tool can be used to obtain a list of all providers operating in an area where outreach events are held.

Grant and subgrant recipients may collaborate with state agencies, public interest groups, and non-profit organizations to carry out public awareness campaigns that highlight the value and benefit of broadband internet access and the ACP.

Funds Transfer Restriction

The grant recipient is prohibited from transferring funds between ACP grant programs (i.e., NCOP, TCOP, YHYI, NPP) and must comply with each program's unique reporting requirements. Recipients can submit a project where funds come from multiple funding sources

(i.e., NCOP, TCOP), however, recipients are not allowed to divert funding from one program to another due to the specific funding allocations, which were established by the FCC.

Program Prohibitions

Prohibition of Supplanting Other Outreach Funding

Grant or subgrant recipients may supplement but are prohibited from supplanting (replacing) funds that have already been obtained or are expected to be received from other sources, such as federal, state, or non-governmental funding provided to carry out ACP outreach activities as described in this NOFO. Grant or subgrant recipients may not supplant funding from a participating provider or a specific group of participating providers (including, but not limited to, broadband industry groups such as trade associations) provided to carry out ACP outreach activities as described in the ACOGP and Pilot Programs NOFOs. To guard against supplanting, funding will be prioritized to new, innovative outreach efforts and not outreach efforts for which an applicant has funding or expects to receive funding from broadband providers or other sources. Funding is intended for ACP outreach costs for which applicants and their expected pass-through entities do not already have or expect to receive other funding.

Prohibition of Service Provider In-Kind Contributions for Funded Outreach

Acceptance of in-kind contributions from any broadband provider or a specific group of ACP participating providers (including broadband industry groups and trade associations) for grant-funded outreach activities is prohibited under the ACP Outreach Grant Program and Pilot Program Outreach Grants.

Prohibition of Profit, and Fees or Charges to Eligible Households

A profit or other incremental charge above actual cost of grant-funded outreach activity is prohibited under the ACP Outreach Grant Program and Pilot Program Outreach Grants. Fees or charges to eligible households for educating or providing enrollment assistance are also prohibited under these programs.

Prohibition of Commissions or Compensation Linked to ACP Applications or Enrollment

Commission or compensation to individuals conducting funded outreach based on the number of ACP applications submitted or households enrolled is prohibited under the ACP Outreach Grant Program and Pilot Program Outreach Grants.

Prohibition of Remote Enrollment Assistance

All funded ACP application assistance support must be done in person. Remote ACP application assistance support is prohibited under the ACP Outreach Grant Program and Pilot Program Outreach Grants.

Prohibition of Lobbying

Use of appropriated funds, without the express authorization of Congress, to directly or indirectly pay for personal services or communications intended or designed to influence Members of Congress, jurisdictions, or officials of any government with regard to any legislation, law, ratification, policy, or appropriation is prohibited under the ACP Outreach Grant Program and Pilot Program Outreach Grants.

Allowable Cost Categories

Costs funded through FCC grant programs must be necessary, reasonable, and allocable to the award. The allowable cost list in the table below is not comprehensive but is meant to demonstrate types of outreach activities that are deemed effective in reaching ACP-eligible households. Applicants, as part of their application, must disclose specific types of outreach activities (including ACP application assistance), along with associated costs. Costs must include a breakdown of budget and computation methods used for each budget category.

Category	Description of Allowable Costs
ACP Application Assistance/ Enrollment Events	<p>SF-424A Cost Category Alignment:</p> <ul style="list-style-type: none"> • Personnel, Fringe Benefits, Contractual: Compensation for personnel (full/part-time or contract staff) whose time was spent exclusively planning and executing ACP outreach activities and/or in-person ACP application enrollment assistance. • Travel: Travel to and from ACP application enrollment events to include mileage, gas, and related travel incidentals for outreach personnel only. Costs must be reasonable in nature and itemized in the approved project plan. Note: Travel costs for eligible ACP households to and from enrollment events is not an allowable use of grant funds. Recipients are not permitted to use travel funding to attend/host meetings or conferences. Executive travel and any travel for planning purposes is not allowed. Contingency costs will not be approved. • Supplies: Materials required to host in-person ACP enrollment events (i.e., flyers, clipboards, notepads, etc.). IT hardware or systems such as hotspots, tablets, computers, printers, etc. that will be used exclusively for ACP outreach and ACP application enrollment assistance. This cost is capped at \$5,000 of direct costs for the period of performance (24 months).
Digital Campaigns	<p>SF-424A Cost Category Alignment:</p> <ul style="list-style-type: none"> • Personnel, Fringe Benefits, Contractual: Compensation for personnel (full/part-time or contract staff) whose time was spent exclusively planning and executing ACP marketing strategy on various digital and social media channels where ACP-eligible households are likely to engage. This includes but is not limited to social media, mass text messaging, phone banks, etc.¹ • Contractual: Costs associated with placement of ACP advertisement on digital platforms. • Supplies: Costs associated with the development and production of digital campaigns.
ACP Outreach Events	<p>SF-424A Cost Category Alignment:</p> <ul style="list-style-type: none"> • Personnel, Fringe Benefits, Contractual: Compensation for personnel (full/part-time or contract staff) whose time was spent exclusively planning and executing ACP outreach events, workshops, campaigns, and activities to raise ACP awareness. This includes in-language translation of outreach materials to reach diverse communities and making outreach materials accessible to individuals with disabilities. Note: The FCC will make

¹ Any text messaging or phone campaigns must be compliant with the Telephone Consumer Protection Act (TCPA).

Category	Description of Allowable Costs
	<p>available a toolkit of outreach materials grant and subgrant recipients may leverage and tailor to their intended audience.</p> <ul style="list-style-type: none"> • Supplies: Materials needed for outreach events such as supplies needed to develop, print, and distribute infographics, fact sheets, flyers, newsletters, consumer handouts, and/or literature campaigns. IT hardware or systems such as hotspots, tablets, computers, printers, etc. that will be used exclusively for ACP outreach and ACP application enrollment assistance. This cost is capped at \$5,000 of direct costs for the period of performance (24 months). • Travel: Travel to and from ACP outreach events to include mileage, gas, and related travel incidentals for outreach personnel only. Costs must be reasonable in nature and itemized in the approved project plan. Note: Travel costs for eligible ACP households to and from outreach events is not an allowable use of grant funds. Recipients are not permitted to use travel funding to attend/host meetings or conferences. Executive travel and any travel for planning purposes is not allowed. Contingency costs will not be approved. • Other (non-M&A): Light refreshments for in-person ACP outreach events must be included as part of the budget submission and approved by the FCC. Light refreshments must be reasonable (example of \$100-\$200 per event)
Direct Mail	<p>SF-424A Cost Category Alignment:</p> <ul style="list-style-type: none"> • Personnel, Fringe Benefits, Contractual: Compensation for personnel (full/part-time or contract staff) whose time was spent exclusively developing, printing, and distributing direct mail to ACP eligible households. • Travel: Local travel to distribute direct mail to ACP eligible households to include mileage, gas, and related travel incidentals.
Project Management (Management & Administrative)	<p>SF-424A Cost Category Alignment:</p> <ul style="list-style-type: none"> • Other: Costs incurred in direct support of grant administration that are not included in the organization’s indirect cost pool (e.g., preparing and submitting programmatic and financial reports, establishing and/or maintaining inventory, responding to official information requests such as audits, monitoring pass-through recipients). This cost is capped at 5% of awarded funds.
Facilities Rental	<p>SF-424A Cost Category Alignment:</p> <ul style="list-style-type: none"> • Contractual: Costs associated with facilities rental for ACP outreach and/or in-person ACP application assistance events.
Indirect Costs	<p>SF-424A Cost Category Alignment:</p> <ul style="list-style-type: none"> • Indirect Costs: Indirect costs are allowable under this program as described in 2 CFR Part 200, including 2 CFR § 200.414. Applicants with a current negotiated indirect cost rate agreement that desire to charge indirect costs to an award must provide a copy of their negotiated indirect cost rate agreement at the time of application. Applicants who do not have a current negotiated indirect cost rate agreement (including a provisional rate) and wish to charge the 10% de minimis rate must adhere the requirements described in 2 CFR § 200.414(f).

Category	Description of Allowable Costs
Paid Media Campaigns	SF-424A Cost Category Alignment: <ul style="list-style-type: none"> • Personnel, Fringe Benefits, Contractual: Compensation for personnel (full/part-time or contract staff) whose time was spent exclusively planning and executing placement of ACP advertising directed to target audience on television, radio, billboards, local and regional newspapers, and other culturally relevant outlets. • Contractual: Costs associated with placement of ACP advertisement on various platforms.
Consumer Research / Focus Groups	SF-424A Cost Category Alignment: <ul style="list-style-type: none"> • Personnel, Fringe Benefits, Contractual: Compensation for personnel (full/part-time or contract staff) whose time was spent exclusively planning and executing consumer research/focus groups. This includes the investigation of the needs of ACP-eligible households about services offered and the ACP application process. Gathering ACP eligible households to participate in a guided discussion about the ACP application experience. Grant funds may not be used to compensate participants of consumer research and/or focus groups.

The FCC GMS will be responsible for determining cost reasonableness and allowability of costs prior to making funding determination and during any post-award changes in project scope. The FCC may require the grantee to request prior written approval in advance of incurring certain costs, and to include the timeframe for when such costs are to be expended.

Costs Requiring Prior Approval

As outlined in 2 CFR 200.308(f), the federal awarding agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for federal awards in which the federal share of the project exceeds the simplified acquisition threshold and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the federal awarding agency. The federal awarding agency cannot permit a transfer that would cause any federal appropriation to be used for purposes other than those consistent with the appropriation. The recipient must request written prior approval from the FCC for one or more of the following program or budget-related reasons:

- Change in the scope or the objective of the project or program (even if there is no associated budget revision requirement prior written approval).
- Change in a key person specified in the application or the award.

If the approved project manager or director severs his or her connection with the recipient or otherwise relinquishes active direction of the project (either permanently or for a continuous period of more than 3 months or a 25 percent reduction in time devoted to the project), then the recipient must get prior approval for a reduction in time or a replacement project manager or director. In lieu thereof, the recipient has the option to relinquish the award (in which case the award will be terminated by mutual agreement, in accordance with 2 CFR 200.340).

Additionally, the FCC requires prior approval for the following costs:

1. Light refreshments – Light refreshments must be explicitly itemized in the recipient’s approved budget.

2. Compensation-personal services (see 2 CFR 200.430)
3. Compensation-fringe benefits (see 2 CFR 200.431)
4. Entertainment costs (see 2 CFR 200.438)
5. Equipment and other capital expenditures (see 2 CFR 200.439) – Equipment costs are unallowable under FCC grant programs.
6. Fines, penalties, damages and other settlements (see 2 CFR 200.441)
7. Fund raising and investment management costs (see 2 CFR 200.442)
8. Insurance and indemnification (see 2 CFR 200.447)
9. Memberships, subscriptions, and professional activity costs (see 2 CFR 200.454)
10. Organization costs (see 2 CFR 200.455)
11. Rearrangement and reconversion costs (2 CFR 200.462)
12. Selling and marketing costs (see 2 CFR 200.467)
13. Travel costs (see 2 CFR 200.474)

For more detailed instructions on how to request prior approval, see Section 4.4 Modifications and Amendments.

Unallowable Cost Categories

Unallowable costs are those that are deemed not necessary, reasonable, nor allocable to the award based on the goal and objectives of each FCC grant program. Further, Federal Cost Principles prohibit certain activities when using grant funds because they are a form of federal financial assistance. The table below includes a list of unallowable costs, which is not intended to be all-inclusive. Consult the Federal Cost Principles for the complete explanation of allowable and unallowable costs.

Category	Description of Unallowable Costs
Pre-award Costs	Costs incurred by the grant or subgrant recipient prior to the start date of the period of performance. This includes costs to prepare and submit application.
Exercises	Used to evaluate program plans and procedures such as tabletop, functional, or full-scale.
Equipment	Tangible personal property, to include information technology systems, that exceeds \$5,000. Any tangible personal property that is less than or equal to \$5,000 per item is allowable and should be included under the <i>Supplies</i> cost category. See 2 CRF Part 200.1 for more information.
Provider Branded Materials	Internet Service Provider branded materials, to include broadband industry groups such as trade associations, labeled outreach materials, gear or any other promotional materials that could compromise neutrality of grant-funded outreach activities.
Gifts & Incentives	Gifts or incentives provided to consumers that could compromise grant and subgrant recipient’s neutrality and improperly influence eligible households’ choice of provider, or other gifts or incentives to encourage consumers to learn about, apply for, or enroll in the ACP. Note: gift cards of any kind to consumers and/or outreach personnel is unallowable. Similarly, purchasing devices and/or tablets to supplement the cost of internet to ACP eligible households using grant funds is also unallowable.
Membership Fees	Membership fees and dues incurred by the grant recipient that are not exclusively tied to event attendance to conduct ACP outreach activities.

Category	Description of Unallowable Costs
Intangible Property	Property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes, other debt instruments, lease agreements, stock, and other types of property ownership.
Real Property	Purchase or acquisition of land, including land improvements, structures, and appurtenances thereto.
Construction & Renovation	Any construction or renovation costs.
Entertainment/ Alcohol / Meals	Entertainment, purchase of alcohol, or meals. Note: Light refreshments are allowed with prior FCC approval. Light refreshments must be clearly defined in the detailed budget worksheet.
Collective Bargaining	Direct or indirect use of funds to support or oppose collective bargaining.
Fines, Penalties, Damages	Costs resulting from grant or subgrant recipient's violations of, or failure to comply with, federal, state, tribal, local, or foreign laws and regulations.
Fundraising	Costs of organized fundraising, including financial campaigns, and similar expenses incurred to raise capital or obtain contributions.
General Government Costs	The general costs of government for states, local governments, and Indian Tribes.
Goods & Services	Costs of goods or services for personal use.

A cost can be considered unallowable if any judicious person could consider it unnecessary or unreasonable in nature. Costs determined to be unallowable by the FCC GMS will be considered noncompliant with grant requirements. FCC reserves the right to initiate remedies for noncompliance found in Section 4.8 Non-Compliance and Fraud, Waste, and Abuse.

Indirect Costs

Indirect costs are costs incurred by the recipient for a common or joint purpose that benefits more than one cost objective. As described in 2 CFR §200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. Indirect costs will be allowed for the award when specifically included as a line item in the approved budget for this award.

As outlined in 2 CFR 200.414(f), any recipient that has never had a negotiated indirect cost rate may use a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. The MTDC definition can be found in 2 CFR §200.1. No documentation is required to justify the 10% de minimis indirect cost rate. Any charged indirect costs must be included in the recipient's FCC-approved budget.

Awards with Subrecipients

For FCC recipients, awards with subrecipients will include a special condition with a list of approved subrecipients. Recipients are not permitted to add additional subrecipients or cancel approved subawards without prior approval from the FCC.

Pass-through Requirements

2 CFR 200.332 describes the requirements for pass-through entities:

1. The relationship between the recipient and subrecipient is formalized via a subaward document. Information required to be included in any subaward can be found in 2 CFR 200.332(a)(1).
2. Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward.
3. Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in 2 CFR 200.208.
4. Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Additional information regarding programmatic and financial monitoring requirements can be found in Section 4.6 Desk Reviews and On-Site Monitoring and 2 CFR 200.332(d).
5. Verify that every subrecipient is audited as required when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501.
6. Consider taking enforcement action against noncompliant subrecipients as described in 2 CFR 200.339 and in program regulations.

Subrecipient and Contractor Determinations

FCC recipients are required to accurately account for subrecipient funding in the approved budget. The pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. Definitions and descriptions of what constitutes a subrecipient and contractor can be found in 2 CFR 200.331.

Contracts under awards must be advertised, evaluated, and awarded consistent with the requirements of the recipient's procurement system and applicable statutes and regulations of the jurisdiction in which the recipient conducts business.

A recipient may not make a subaward to an organization unless the organization has obtained a Unique Entity Identifier (UEI) number.

As provided in 2 CFR 180 and implemented in 2 CFR 376, the recipient must check the System for Award Management (SAM) as follows to ensure that it does not make a subaward or award a contract to an entity that is debarred, suspended, or ineligible:

- **For all first-tier subawards regardless of potential value and require first tier-subrecipients and lower-tier subrecipients to similarly check SAM; and,**
- **For all first-tier procurement contracts with a value of \$25,000 or more and all lower tiers of subcontracts under covered non-procurement transactions (2 CFR 376.220).**

Resource

- Indirect Cost Frequently Asked Questions: Provides a list of commonly asked questions designed to clarify the use of indirect costs in a (sub)recipient's budget.

4.2 Financial Management and Payment Processing

The FCC will use Payment Management Services as its grants payment management system to make award payments, and include the payment method, which will be reimbursement, as identified in the terms and conditions of the award.

Policy

FCC will not withhold payments for proper charges made by recipients at any time during the project period unless:

- Recipient is subject to special award conditions to that effect;
- Recipient is subject to enforcement provisions in keeping with special terms and conditions of the award;
- Recipient has failed to comply with the project objectives, terms and conditions of the award, or reporting requirements; or,
- Recipient or subrecipient is delinquent in a debt to the United States.

FCC may not require a recipient, excluding states, to maintain a separate bank account for award funds. Recipients must be able to account for the receipt, obligation, and expenditure of award funds.

Payment Management System

FCC has elected to utilize the U.S. Health and Human Services (HHS) Payment Management Services (PMS) as its grants payment management system for approved, reimbursable expenses. Recipients shall be required to use PMS for all reimbursement requests, as well as completion and submission of all required Federal Financial Reports (FFR).

Recipients shall use PMS on a reimbursable basis. If a recipient is new to PMS, the recipient shall submit a request for access to PMS. If a recipient has an existing profile in PMS, the recipient shall add the PMS PIN provided in the PMS Welcome Letter to its existing profile.

- For specific information and instructions on PMS, recipients shall reference the PMS Welcome Letter provided by FCC at the time of their grant award. Contact information for PMS for access and system-related issues are provided in the PMS Guide for Grant Recipients with Contact Information.

Reimbursement Payment Guidelines

FCC will make reimbursement payments available to recipients within 30 calendar days after receiving the billing, unless FCC reasonably believes the request to be improper.

As part of its oversight responsibilities, FCC will reconcile reimbursement requests with information provided on grantee performance reports for awards paid using the reimbursement method.

Payments to States

In accordance with 2 CFR 200.305(a), payments to states are subject to the Cash Management Improvement Act (CMIA), the Department of the Treasury implementation at 31 CFR part 205, and the Treasury Financial Manual (TFM) 4A-2000 Overall Disbursing Rules for All Federal Agencies.

Third-party In-kind Contributions as Cost Share and Matching

A third-party in-kind contribution to a fixed-price contract under an award, i.e., one in which the contractor is paid a previously agreed-on fixed amount, regardless of the actual costs of the contract, may count towards satisfying a cost sharing or matching requirement only if it results in:

- An increase in the services or property provided under the contract (without additional cost to the recipient or subrecipient); or,
- A cost savings to the recipient or subrecipient.

Valuation of Donated Services

Professional or technical personnel, consultants, or other skilled or unskilled labor may provide volunteer services toward carrying out the activities funded under an award. Rates for volunteers must be consistent with established rates paid for similar work by the recipient or subrecipient or market rates if no similar category has been used by the recipient prior to the funded project. Market rates must be consistent with those paid for similar work in the labor market in which the recipient would compete for the kind of services involved. In either case, a reasonable amount for fringe benefits may be included in the valuation.

When an employer other than the recipient, subrecipient, or cost-type contractor provides services of an employee free of charge in the employee's normal line of work, these services must be valued at the employee's regular rate of pay.

Valuation of Donated Supplies, Equipment, Buildings, and Land

Donated supplies from a third party must be valued at the market value (i.e. the amount for which the supplies can be sold on the given market) of the supplies at the time of donation. Donations of equipment, buildings, and land are not eligible to be claimed as cost sharing or matching, as equipment, buildings, and land are unallowable costs under FCC grant programs

Procurement and Cost Principles

Recipients may charge routine goods and services necessary for the performance of the award, to either direct or indirect costs. However, the type of recipient may determine the procedure and the assignment of activities. The following regulations apply to the recipient type:

States

When procuring goods or services, States must follow the same policies and procedures they use for procurements from their non-federal funds. In addition, States must ensure that every contract or other acquisition vehicle includes applicable clauses required by

federal statutes and executive orders and their implementing regulations, including the contract provisions contained in 2 CFR 200.327.

(Note: If a subrecipient relationship is involved, States are treated the same as federally funded recipients).

Local Governments and Indian Tribal Government

Recipients may use their own procurement procedures that reflect applicable state and local laws and regulations, provided that the procurements conform to applicable federal statutes and the standards identified in 2 CFR 200.318.

Institutions of higher education, hospitals, other non-profit organizations, and for-profit organizations

Recipients may use their own procurement procedures that reflect applicable state and local laws and regulations, provided that the procurements conform to applicable federal statutes and the standards identified in 2 CFR 200.318.

Federal institutions

Federal institutions must follow the Federal Acquisition Regulation.

Application of Cost Principles

The application of cost principles must be consistent for both recipients and any subrecipients of an award. Subpart E of 2 CFR 200 is applied uniformly to all recipient types, unless otherwise stated. The cost principles apply to both direct and indirect cost considerations.

Direct Costs vs. Indirect Costs

Costs of an award are classified either as direct or indirect costs. Recipients must treat costs incurred consistently as either direct or indirect costs in order to avoid double charging award funds.

Direct costs: are those costs that can be identified to a particular final cost objective within the federal award.

Indirect costs: are defined by 2 CFR 200.56 as “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.”

It is not possible to specify the types of cost which may be classified as indirect costs in all situations. Identification with a federal award rather than the nature of the good and services involved is the determining factor in distinguishing direct from indirect costs of federal awards. Typical examples of indirect costs may include depreciation on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.

Indirect Costs

Recipients will only be reimbursed for indirect costs on an award if all of the following apply:

- **Indirect costs are allowable under the terms of the governing statute, regulations, or FCC financial assistance policy;**
- **The recipient requests indirect costs; and,**
- **The recipient has a federally approved indirect cost rate that covers the activities and project period, or the recipient has never received a negotiated indirect cost rate and elects to charge a de minimis rate of 10 percent of MTDC.**

Federally Negotiated Indirect Cost Rates and Provisions

If a recipient has a federally negotiated indirect cost rate agreement, FCC must accept it unless:

- Federal statute or regulation authorize a different rate; or
- A deviation is approved by the FCC ADO.

Resources

- FCC – Grant Recipient Guide to PMS
- PMS Sample Letter

4.3 Reporting Requirements

Recipients are required to complete financial, performance, and other reports as a condition of award acceptance. To maintain compliance, the recipient shall complete the reports per the terms and conditions that the FCC has outlined in the Notice of Award (NOA).

Policy

Grant recipients must submit all performance progress reports (PPRs) electronically on a quarterly basis as an attachment to <https://grantsolutions.gov> and federal financial reports (FFRs) electronically at <https://pmsapp.psc.gov/pms/app/login>. Final performance and financial reports must also be submitted electronically. In the event of an extension to the period of performance, reporting requirements continue through the new award end date. For FCC awards, the progress and financial reports are due on a quarterly basis, as shown in Table 6.

Table 6 – Quarterly Report Submission Due Dates

PPR/FFR Reporting Period	Report Due Date
April 1 – June 30	July 30
July 1 – September 30	October 30
October 1 – December 31	January 30
January 1 – March 31	April 30

Quarterly reports are due 30 days after the end of each reporting period. Final reports are due 120 days after the end date of the award.

Performance Progress Report

Performance progress reporting for FCC grants is a two-part submission: the standard Performance Progress Report form (SF-PPR) and FCC's PPR-Supplemental. Recipients are required to attach the completed PPR-Supplemental to their PPR submission in GrantSolutions.

PPR submissions should be accurate and complete. Submissions will be reviewed and approved by the assigned Grants Management Specialist and returned to the recipient for edits as needed.

Federal Financial Report

The financial report must be submitted electronically through <https://pmsapp.psc.gov/pms/app/login>. Obligations, expenditures, and matching funds must be reported, per the required reporting schedule identified in the award. The report must match the data as reported in PMS. The Grants Management Specialist will reconcile spending against progress reported in the corresponding progress report and monitor drawdowns and spend for unanticipated over or under-spend during the life of the award.

For questions about the FFR, please contact the PMS Helpdesk at (877) 614-5533 Monday – Friday from 7 a.m. to 9 p.m. ET (except Federal Holidays) or via email at PMSSupport@psc.hhs.gov. Grantees can also contact their Grant Management Specialist listed on their Notice of Award if the recipient is unable to find the FFR in PMS.

Delinquent Reports

Non-compliance with reporting requirements will be treated as failure to comply with the terms and conditions of the award.

- Quarterly Reports: After 10 business days, funds will be put on hold in payment system until the late report(s) is reviewed and approved. Your organization will be unable to draw down funds during that time.
- Final Reports: Award will be administratively closed and unspent funds de-obligated if reports are not submitted on time. Please refer to Section 5. Closeout Procedures for further guidance.

FCC utilizes an automatic reminder system to help prevent late reporting. Discuss all challenges as soon as possible with your Grants Management Specialist to keep your award in good standing. If late reports are an on-going problem, the FCC may utilize additional oversight actions outlined in Section 4.8 – Noncompliance and Enforcement Actions. Future awards may be withheld if these reports are continuously delinquent.

Extensions to Reporting Due Date

The FCC will not allow any extensions to the reporting due date. Recipients are considered non-compliant if the report(s) is not submitted on time (barring technical system issues).

Other Reporting Requirements

In accordance with the CFR and the FFATA, recipients are required to complete additional reporting requirements to maintain compliance with the terms and conditions of their award:

- **SAM.gov and UEI:** In accordance with 2 CFR 25, all subrecipients must also have a Unique Entity Identifier (UEI) issued to them to be included on an applicant's application for funding, as well as prior to applicants issuing subawards to the subrecipients. Further, FCC requires that all applicants require all subrecipients, as well as all contractors, to not only have a UEI, but to also register as an entity in SAM.gov prior to issuing any formal subawards. This will greatly assist applicants in fulfilling their pass-through entity and subrecipient monitoring requirements, as well as ensure there are no issues with FSRS and FFATA reporting. The responsibility for ensuring pass-through entity requirements lies with the applicant, including necessary risk reviews and for reporting requirements.
- **Subaward Reporting and Reporting of Executive Compensation:** In accordance with 2 CFR Part 170, all recipients of a federal award are required to comply with reporting requirements under the Federal Funding Accountability and Transparency Act (FFATA) of 2006 (Pub. L. No. 109-282). To ensure full transparency regarding any subrecipient, the ACP Grant Program Second Report and Order (FCC 22-64) also requires that grantees who are pass-through entities must inform the FCC of which subrecipients they use as well as the amount of each subaward. As such, the recipient is required to file a FFATA subaward report at www.fsr.gov on all subawards by the end of the month following the month in which the prime recipient awards any subgrant. In addition, recipients that meet certain criteria are responsible for reporting executive compensation. Recipients must ensure they have the necessary processes and systems in place to comply with the reporting requirements after they receive funding. In order to file a FFATA subaward report at www.fsr.gov, grantees must use the following format for their grant award number: AGOACOGP2340XXX. For example, if your award number is ACOGP2340567 then you would enter AGOACOGP2340567.
- **USAspending.gov:** USAspending.gov is a publicly accessible website that fulfills the requirements of FFATA and subsequent amendments to provide information about federal financial assistance awards to the public. The OMB established USAspending.gov, which is operated and maintained by the Department of Treasury. The FCC must report federal awards, contracts, loans and other financial assistance awards of \$30,000 or more.
- **Lobbying Disclosure Reports:** Any recipient that receives more than \$100,000 in federal funding and conducts lobbying with non-federal funds relating to a covered federal action (i.e., contract, grant, cooperative agreement, loan, loan guarantee, or loan insurance) must submit a completed Form SF-LLL (Disclosure of Lobbying Activities). The Form SF-LLL must be submitted within 30 calendar days following the end of the calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed. The recipient must submit any required SF-LLL forms, including those received from subrecipients, contractors, and subcontractors, to the FCC Grants Management Specialist.
- **Audits:** A recipient must conduct an annual audit and submit the audit, pursuant to 2 CFR Part 200 Subpart F, if the recipient expends \$750,000 or more in federal awards during the recipient's fiscal year. See Section 4.11 – Audit Requirements for additional information.

Resources

- PPR Template
- PPR-Supplemental Template

4.4 Modifications and Amendments

The section provides an overview of allowable no-cost budget modifications and amendments that can be made to a grant award during the period of performance through GrantSolutions.

Policy

A request or action to submit a modification to the Federal award will generally require the approval of the FCC. This amendment/modification to the award can be initiated by either the Grantee or the Grantor. The specific amendment actions required will depend on the nature of the modification and the terms of the original budget, performance period or award agreement. Beginning July 30, 2023, grant recipients will be able to initiate amendment requests in GrantSolutions.

Change in Key Personnel

Any changes to key personnel, including the AOR and/or PI/PD, will require an amendment in GrantSolutions. This request can be initiated by the Grantor and/or Grant Recipient.

No-Cost Budget Modification Revision

If the grant recipient needs to move funds across budget categories then the recipient must submit a cost-cost budget modification request in GrantSolutions. For requests less than 10 percent of the award amount across existing cost categories, a simple request explaining the reason is sufficient. For requests greater than 10 percent of the award amount or requests for a new cost category, a more detailed request explaining the reason with a budget breakdown is required. This request can be initiated by the Grantor and/or Grant Recipient.

NOA Revision

If terms and conditions listed in the Notice of Award change, including special terms, a NOA revision amendment may be required. These items will not require a formal request in GrantSolutions. A review by your assigned Grants Management Specialist is sufficient. This request can be initiated by the Grantor and/or Grant Recipient.

Changes in project scope or objectives

If the scope or objectives of the budget or award change, the budget or award may need to be modified. Changes could include timeline modifications, budget modification, or project/award deliverables. The corresponding amendment would be a modification to the original budget or award agreement, which would need to be approved by the FCC. This modification request can be initiated by the Grantor and/or Grant Recipient.

Programmatic Early Termination

If a grant recipient fails to comply with the terms and conditions of the grant award on a consistent basis or is deemed noncompliant with key requirements such as maintaining an active SAM.gov registration, failure to submit reporting requirements, or is deemed a risk to the

awarding agency, the FCC may issue this amendment, which may lead to the termination of the grant award prior to the end of the period of performance. This modification request can be initiated by the Grantor.

Period of Performance Extension Request

Within six months of the end of period of performance, a period of performance extension request may be requested for an additional three to six months. This request can be initiated by the Grantor and/or Grant Recipient.

Wind-down Early Termination

The wind-down process begins when the forecasted end of the ACP is announced, thereby not giving sufficient time to implement and execute new outreach efforts. Recipients and subrecipients may continue to use their grant funds for outreach until ACP enrollments cease pursuant to any wind-down procedures to be established for the ACP. Once ACP enrollments cease, the remaining grant funds that have not been drawn down may be allocated back to the larger ACP budget to pay for broadband service and connected devices. This modification request is initiated by the Grantor.

Closeout

Once funds have been expended or towards the end of the period of performance, an amendment will need to be implemented to initiate the closeout process. This request can be initiated by the Grantor.

Table 7 includes the types of allowable amendments, who can initiate the amendment/modification and the level of detail needed. Further instructions on completing amendments, as well as the ACP Outreach Grant Amendment Request Form, can be found on the FCC’s ACP Outreach Grant Management Policies and Resources webpage located at: [ACP Outreach Grant Program Management Policies and Resources | Federal Communications Commission \(fcc.gov\)](https://www.fcc.gov/ACP-Outreach-Grant-Program-Management-Policies-and-Resources).

Table 7 – Authorized Amendment and Modification Types in GrantSolutions

Amendment/ Modification Type	Description	Approved Initiated Party	Level of Detail Needed
Change in Key Personnel	Any changes to key personnel, including the AOR and/or PI/PD, will require an amendment in GrantSolutions.	Grantor (Limited Approval – only GMO) or Grantee	Grantee: To initiate a change in key personnel amendment, the grantee must submit an ACP Outreach Grant Amendment Request Form in GrantSolutions or via email. Then, the grantee can submit the request in GrantSolutions explaining which staff to remove, add, or contact information updates.

Amendment/ Modification Type	Description	Approved Initiated Party	Level of Detail Needed
			<p>Grantor: The Grantor may initiate this amendment in GrantSolutions based on information in meeting discussions, email requests, or receipt of the ACP Outreach Grant Amendment Request Form.</p>
<p>No-Cost Budget Modification Revision</p>	<p>If the grant recipient needs to move funds across cross categories then the recipient must submit a cost-cost budget modification request in GrantSolutions.</p>	<p>Grantor or Grantee</p> <p>For Less than 10% - Limited Approval (Only GMO)</p> <p>For Greater than 10% - Full Approval (GMO and PO) (Must Accept)</p>	<p>Grantee: To initiate a no-cost budget modification revision amendment the receipt must submit a Grant Recipient Amendment and Modification Request Form in GrantSolutions or via email. For requests less than 10 percent of the award amount across existing cost categories, a simple request explaining the reason is sufficient. For requests greater than 10 percent of the award amount or requests for a new cost category, a more detailed request explaining the reason with a budget breakdown is required.</p> <p>Grantor: The Grantor can use the information included in the Grant Recipient Amendment and Modification Request Form to process the no-cost budget modification revision request.</p>
<p>NOA Revision</p>	<p>If terms and conditions listed in the Notice of Award change, including special terms, a NOA revision amendment may be required.</p>	<p>Grantor (Limited Approval – only GMO) or Grantee (Must Accept)</p>	<p>Grantee: A grant recipient can submit a NOA revision request via email, GrantSolutions note, or Grant Recipient Amendment and Modification Request Form explaining the reason for the NOA revision. A review by your assigned Grants Management Specialist is sufficient to approve the revision.</p>

Amendment/ Modification Type	Description	Approved Initiated Party	Level of Detail Needed
			Grantor: Using the information in an email or GrantSolutions note the Grantor can initiate a NOA revision amendment.
Changes in Project Scope or Objectives	If the scope or objectives of the budget or award change, the budget or award may need to be modified. Changes could include timeline modifications, budget modification, or project/award deliverables. The corresponding amendment would be a modification to the original budget or award agreement, which would need to be approved by the FCC.	Grantor (Full Approval – GMO and PO) or Grantee (Must Accept)	<p>Grantee: A grant recipient can submit a change in project scope or objectives request using the Grant Recipient Amendment Request Form explaining the need for a change in project scope or objectives, including how these changes will still meet the original intent of the grant program and approved project. The Grants Management Specialist can review the request and provide a recommendation to the Grants Management Officer and Program Officer for final approval.</p> <p>Grantor: The Grantor can use the information included in the Grant Recipient Amendment and Modification Request Form to process the no-cost modification revision request.</p>
Programmatic Early Termination	If a grant recipient fails to comply with the terms and conditions of the grant award on a consistent basis or is deemed noncompliant with key requirements such as maintaining an active SAM.gov registration, failure to submit reporting requirements, or is deemed a risk to the	Grantor (Full Approval – GMO and PO) Grantee must accept, but cannot initiate	<p>The Grantor will provide a detailed description of the reason for the programmatic termination and the steps taken to remedy the issue prior to the end to terminate.</p> <p>The Grants Management Specialist must get approval from the Program Officer and Grants Management Officer to start this process. Concurrence with the Office of the Chairwoman (OCH) and Office of General Counsel is required to initiate this amendment.</p>

Amendment/ Modification Type	Description	Approved Initiated Party	Level of Detail Needed
	awarding agency, the FCC may issue this amendment, which may lead to the termination of the grant award prior to the end of the period of performance.		
Period of Performance Extension	Within six months of the end of period of performance, a period of performance extension request may be requested for an additional three to six months.	Grantor (Full Approval – GMO and PO) or Grantee (Must Accept)	<p>Grantee: A grant recipient can submit a period of performance extension request using the Grant Recipient Amendment Request Form explaining why additional time is needed to complete the project, including any budgetary impacts and steps taken to not need an additional extension. The Grants Management Specialist can review the request and provide a recommendation to the Grants Management Officer and Program Officer for final approval.</p> <p>Grantor: The Grantor can use the information included in the Grant Recipient Amendment and Modification Request Form to process the no-cost period of performance extension request.</p>
Wind-Down Early Termination	The wind-down process begins when the forecasted end of the ACP is announced, thereby not giving sufficient time to implement and execute new outreach efforts. Recipients and subrecipients may continue to use their	Grantor (Full Approval – GMO and PO) Grantee must accept but cannot initiate	The Grantor will provide a written letter to the grant recipient via GrantSolutions and email stating the wind-down process has been initiated with detailed instructions on next steps. Then, the amendment can be processed in GrantSolutions.

Amendment/ Modification Type	Description	Approved Initiated Party	Level of Detail Needed
	grant funds for outreach until ACP enrollments cease pursuant to any wind-down procedures to be established for the ACP. Once ACP enrollments cease, the remaining grant funds that have not been drawn down may be allocated back to the larger ACP budget to pay for broadband service and connected devices.		
Closeout	Once funds have been expended or towards the end of the period of performance, an amendment will need to be implemented to initiate the closeout process.	Grantor (Full Approval – GMO and PO) Grantee must accept, but cannot initiate	The Grantor will initiate the closeout amendment once a grant recipient has expended all funds or has reached the end of its period of performance. The Grants Management Specialist is responsible for processing the initial amendment and confirming all funds are properly expended, and to recoup any unused funds.

Resource

- ACP Outreach Grant Amendment Request Form
- Grantee Initiated Amendment Instructions

4.5 Grantee Engagement

Each grant recipient is assigned a GMS to monitor award performance, answer questions about program requirements, and administer the grant award through the period of performance. This section explains the best method to engage with the grantee’s assigned GMS.

Policy

It is FCC’s policy that every grant will have an assigned primary GMS who is responsible for engagement with the grantee throughout the grant lifecycle (examples of situations where GMS

engagement with grantees is anticipated are provided above). The primary GMS for each grant will be recorded in GrantSolutions and communicated to the grantee in the NOA. When practical, outreach will be completed using the correspondence feature of the GrantSolutions system. Should emails need to be sent to grantees by the GMS outside the GrantSolutions system, these emails will be sent to the assigned GMS and cc the ACPgrants@fcc.gov mailbox.

There are several points during the grant lifecycle when it is anticipated that FCC staff will engage with grantees. Under certain circumstances, FCC will reach out to the grantee directly. Depending on the nature of the outreach, FCC may contact the grantee's Authorized Organizational Representative (as identified in GrantSolutions) or the Project Director/Principal Investigator of a funded project (as identified in GrantSolutions). Much of this interaction will take place using the correspondence feature of the GrantSolutions system, which generates emails and tracks user responses.

Below, are some examples of situations where a grantee may anticipate hearing from the assigned GMS for the grant award:

- NOA for the intended grant recipient is being prepared
- Final grant awards are being negotiated with the grant recipient
- The PPR and PPR-Supplemental is being analyzed to ensure grantees are achieving program goals and objectives against approved plans and budget
- The FFR submission being reviewed for accuracy and timeliness
- Amendments to grants are being processing and/or approved
- FFR technical assistance is needed by the grant recipient
- PPR and PPR-Supplemental technical assistance is needed by the grantee
- Other technical assistance is needed by the recipient on how to complete forms, amendments, procedures, or resources are requested
- Grant awards are being closed out

In addition, assigned Grants Management Specialists will make themselves available for regular check-ins with grantees, including offering virtual office hours to provide assistance or answer questions. Grantees may also use the correspondence feature ("Notes") in GrantSolutions to reach out to their assigned GMS, as needed. Should a grantee need to reach out to a GMS outside the GrantSolutions system, contact information for their assigned GMS is included in their NOA.

4.6 Desk Reviews and On-Site Monitoring

The FCC performs post-award monitoring to ensure the successful performance and administration of the award. Post-award monitoring is the ongoing activity that extends through the project period and closeout. Monitoring includes day-to-day activities, activities performed at specified intervals, and periodic evaluations of recipient performance that are required by statute or policy.

The FCC must ensure proper stewardship of federal funds and that program objectives have been accomplished by the recipient. The information obtained through post-award monitoring is used to determine certain aspects of continued performance (e.g., funding levels) and whether

additional actions are needed to increase the potential for successful performance or to protect federal interests.

Policy

The FCC will monitor all grant awards both financially and programmatically to evaluate progress towards the grant goal, objectives, and proactively target and address issues that may threaten grant success during the period of performance. Financial and programmatic monitoring are also complementary processes and ensure effective grants management, accountability, and transparency; and safeguard federal funds against fraud, waste, and abuse.

The FCC will periodically monitor recipients to ensure that administrative processes, policies and procedures, budgets, and other related award criteria are meeting federal government-wide regulations. Aside from reviewing quarterly financial and programmatic reports, the FCC may also conduct enhanced monitoring through desk reviews, onsite monitoring visits, or both. Enhanced monitoring will identify areas where the recipient may need technical assistance, corrective actions, or other support.

Per 2 CFR Part 200.337, the FCC has the right, at all reasonable times, to make site visits or conduct desk reviews to review project accomplishments and management control systems, to review award progress, and to provide any required technical assistance. During site visits or desk reviews, the FCC will review recipients' files related to the award, as well as conduct other monitoring activities. As part of any monitoring and program evaluation activities, recipients must permit the FCC, upon reasonable notice, to review grant-related records and to interview the organization's staff and contractors regarding the program. Recipients must respond in a timely and accurate manner to the FCC's requests for information relating to the award.

Flow-Down of Requirements under Subawards and Contracts under Grants

Requirements that are included in a recipient's NoA do not automatically apply to subrecipients or contractors. FCC staff monitoring recipients or auditors will look to the recipient's agreement/contract to determine whether the recipient included appropriate and applicable requirements.

The federal grants regulations (2 CFR 200) must be used as the basis for determining allowable costs under subawards and cost-reimbursement contracts. They are not required to be applied to contractors under fixed-price type contracts.

A recipient must apply the appropriate cost principles in 2 CFR 200, Subpart E and federal grants administration requirements specific to the type of entity receiving the subaward/contract, which may not be the same as those that apply to the recipient.

Recipients who are pass-through entities are responsible for monitoring their subrecipients in a manner consistent with the terms of the federal award at 2 CFR Part 200, including 2 CFR Part 200.332. This includes the pass-through entity's responsibility to monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

In terms of overall award management, recipient and subrecipient responsibilities include, but are not limited to:

- Accounting of receipts and expenditures;
- Cash management;
- Maintaining adequate financial records;
- Reporting and refunding expenditures disallowed by audits;
- Monitoring if acting as a pass-through entity;
- Other assessments and reviews; and
- Ensuring overall compliance with the terms and conditions of the award or subaward, as applicable, including the terms of 2 CFR Part 200.

Subawards

This section includes the requirements for a grant involving subawards, including consortium agreements in which the recipient collaborates with one or more other organizations in carrying out the grant-supported activity.

In general, the requirements that apply to the recipient, including the program income requirements of the award, also apply to subrecipients. The recipient must enter into a formal written agreement with each subrecipient that addresses meeting the programmatic, administrative, financial, and reporting requirements of the award. This includes requirements necessary to ensure compliance with all applicable federal regulations and policies. At a minimum, the subaward agreement must include the following:

- Identification of the PI/PD and subrecipient individuals responsible for the programmatic activity including roles and responsibilities;
- Procedures for programmatic administration and monitoring;
- Policies and Procedures relative to subrecipient funding (such as allowable costs, and including expenditure approval), including dollar ceiling, method and schedule of payment, type of supporting documentation;
- Travel reimbursement, salaries, and fringe benefit policies and procedures that meet FCC requirements;
- Must include applicable public policy requirements; subrecipient intent to comply, and applicable assurances and certifications and provisions indicating the intent of the subrecipient to comply, including submission of applicable assurances and certifications;
- Conflict of Interest requirements; and
- Provisions regarding program income, publications, reporting, record retention, and audit.

Oversight and Subrecipient Monitoring by Pass-Through Entity

A pass-through entity is a recipient identified on a NOA that subawards some portion of its award to subrecipients to carry out part of a federal program. Pass-through entities are responsible for:

- Monitoring subrecipient activities and compliance with the terms and conditions of the award throughout the lifecycle of subaward activity, regardless of whether the award is financial assistance or a cooperative agreement.
- Making pre-award decisions concerning subawards and managing the day-to-day

- operations of subaward-supported activities; and
- Monitoring subrecipients to ensure compliance with applicable federal requirements and the achievement of performance goals.

The pass-through entity is responsible for any subrecipient non-compliance issues. If, for example, the FCC disallows costs under an award that were incurred under a subrecipient, the pass-through entity is responsible for repayment or offset. In turn, the pass-through entity should take whatever remedies are available to it with respect to its subrecipient for those disallowed costs.

A pass-through entity may impose reporting requirements or require prior approval for an activity even if it is not required by the FCC, or use a different threshold, as long as it would allow the pass-through entity to meet its obligations to the FCC.

Making Determinations Between Subrecipients and Contracts

Federal funds may be issued by the recipient either through a subrecipient or a contract. These two distinct relationships are defined in 2 CFR § 200.331. Unless otherwise specified in statute or regulation, all types of organizations are eligible as subrecipients or contracts under awards. Recipients must use judgment in making a determination between a subaward and contract. In general, under a subaward, the subrecipient receives federal funds to conduct a specific scope of work in conjunction with the project. A contract is legal instrument for the procurement of a product or service in which the recipient is paying for goods or services. 2 CFR § 200.331 provides guidance in determining between a subaward and contract.

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 in 2 CFR § 200.331 may not be present in all cases, and the pass-through entity must use judgement in classifying each agreement as a subaward or a contract. The FCC may not:

- Participate in selection of subrecipients or contractors under awards;
- Specify a particular entity to receive a subrecipient or contract under an award;
- Direct a recipient to award procurement contracts or subrecipients to particular organizations;
- Suggest the use of specific contractors or subrecipients;
- Use recipient subrecipients or recipient acquisitions to circumvent FCC award competition policies; or,
- Interfere with the recipient's selection decisions or use language in communications with applicants or recipients that implies FCC approval of a subaward or contract. The FCC is not a party to the subaward or contract and must avoid the appearance of endorsement or use language that could create potential liability for the FCC.

Identifying and Reporting Conflict of Interest

In accordance with 2 CFR §200.112, FCC requires each non-federal entity to maintain an appropriate written and enforceable policy regarding Conflict of Interest, and to disclose in writing any potential conflict of interest to FCC or the pass-through entity as defined in 2 CFR

§200.1, Further, the non-Federal entity must maintain written standards of conduct to establish safeguards to prohibit an Interested Party from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain in the administration of an award.

If, at any time throughout the award, a recipient believes to have a potential conflict of interest or have any questions regarding identifying or reporting of a conflict of interest, contact the Grants Management Specialist immediately.

Mandatory Disclosures

The non-federal entity or recipient for a Federal award must disclose, in writing to FCC, or a pass-through entity, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award (in accordance with 2 CFR §200.113).

Procurement Requirements

The Uniform Guidance requires all non-Federal entities to maintain procurement policies and standards in their procurements made under a Federally funded assistance agreement. In general, non-Federal entities must award procurement contracts in accordance with their documented procurement procedures and provide documentation, upon request by the FCC, that substantiates their procurement process is consistent with the requirement set forth in 2 CFR §200.317-327. Further, the Uniform Guidance stipulates specific procurement standards and requirements for purchases based on procurement type and dollar value. The Special Award Conditions will further stipulate any additional procurement requirements or limitations (e.g. compliance with Buy America standards).

4.7 Special Conditions and Enhanced Monitoring

The enhanced federal monitoring process with special conditions for grantees and subrecipients involves additional monitoring and oversight by the Federal Agency to ensure compliance with the terms and conditions, and requirements of the award.

Policy

Triggers for Enhanced Monitoring activities may include the following:

Increased Reporting Requirements

Grantees and subrecipients with special conditions may be required to provide more frequent or detailed reports on their activities, expenditures, and progress toward achieving programmatic goals. These reports may be reviewed more closely by the (FCC) to ensure compliance with the terms of the award.

Increased Documentation Requirements

Grantees and subrecipients with special conditions may be required to provide additional documentation to support their expenditures and activities. This may include invoices, receipts, timesheets, and other records to document the use of federal funds.

Site Visits

The federal awarding agency may conduct site visits to grantees and subrecipients with special conditions to verify that the activities and expenditures are consistent with the terms of the award. Grantor staff may review records and documents, conduct interviews with Grantee staff and program participants etc., and actively observe program activities to ensure compliance with programmatic and financial requirements contained within the award terms and conditions.

Additional types of varied special conditions:

The purpose of enhanced federal monitoring and special conditions is to ensure that federal funds are used effectively and efficiently and that grantees and subrecipients are held accountable for complying with the terms and requirements of the award. By implementing these monitoring activities, the federal awarding agency can mitigate risks and promote accountability and ensure that federal funds are used in accordance with the intended purpose of the award.

Financial Management Special Conditions

These may require grantees and subrecipients to implement specific financial management procedures, such as maintaining accurate and complete financial records, submitting timely financial reports, and establishing internal controls to prevent fraud, waste, and abuse of federal funds.

Programmatic Special Conditions

These may require grantees and subrecipients to implement specific programmatic requirements, such as reporting on program outcomes, complying with environmental regulations, or ensuring accessibility for individuals with disabilities.

Compliance Special Conditions

These may require grantees and subrecipients to comply with specific laws and regulations, such as those related to labor standards, nondiscrimination, or environmental impact.

4.8 Non-Compliance and Enforcement Actions

FCC's CGB is authorized to take appropriate actions if recipients fail to perform the requirements of their awards. Every award contains a provision for enforcement, suspension and/or termination of the award. Awards are subject to regulations, oversight, and audit. CGB will use information, including but not limited to report submissions, meetings with the grant recipient, audit reports, and news articles to gauge the success or non-compliance of projects. In addition, please see Section 4.6 – Desk Reviews and On-site Monitoring for FCC's monitoring process that may also be used to identify non-compliance and fraud, waste, and abuse.

Policy

If the GMS or GMO detects deficiencies in business integrity, project performance, financial management, internal controls, and data that may affect the federal program, the official may use a variety of actions as remedies for non-compliance and enforcement for alleged violations.

Enforcement actions must be initiated within 45 days of a documented finding(s), or after other actions to improve a recipient's compliance or performance have not been successful.

Enforcement actions will be informed by relevant information in CGB's possession, to include agency and recipient correspondence.

CGB has the discretion to determine whether to take an enforcement action, and the appropriate action to be taken, unless:

- Authorizing statutes and regulations limit CGB's authority; and/or,
- An office outside of CGB has authority to undertake a compliance or enforcement action.

CGB will take appropriate pre- and post-award actions to minimize non-compliance and consider:

- The level of enforcement action should be consistent with the type, duration, and significance of the non-compliance or other findings and programmatic needs.
- Use of an enforcement action only after other actions to improve a recipient's compliance or performance are deemed unsuccessful.

The FCC GMO's final decision to take an enforcement action must be completed in collaboration with the:

- FCC Program Officer;
- Office of the General Counsel (OGC); and,
- Other officials in the agency or FCC (inclusive of the Office of Managing Director [OMD] or the Office of Inspector General [OIG]), as necessary.

The final determination on whether to take an enforcement action is the responsibility of the GMO with consultation from the CGB Chief; and,

- Recipient may be notified of a pending enforcement action by a designated Grants Management Specialist.
- The GMO may request another awarding agency program or management official co-sign the notification.

If an enforcement action is deemed necessary, the following conditions must be addressed, and the action must:

- Include a plan for continued assistance to beneficiaries if immediate action is necessary;
- Be consistent with the recipient's willingness and ability to correct the non-compliance or to address or change other situations; and
- Ensure that correctable deficiencies are resolved and that the action does not engage in a cycle of recipient non-compliance concerning the same issues.

CGB may use a single enforcement action or a combination of actions, and it may increase the severity of actions over time if non-compliance or other performance issues continue. The types of enforcement actions that may be used include, but are not limited to:

- Disallow all or part of the cost of the activity or action not in compliance;
- Temporarily withhold cash payments;
- Wholly or partly suspend or terminate the award;
- Withhold additional awards for the program or project; and/or,

- Initiate government-wide recipient suspension and debarment.

Disallowing Costs

Costs, including those used as matching contributions, may be determined to be unallowable based on the requirements in the applicable cost principles, eligible programmatic activities as stated in the NOFO, FCC Grants Manual, and specific terms and conditions cited in an award that may indicate disapproval of a cost/activity.

Costs may be disallowed at any time during the project period or at closeout based on audit findings, information in reports, or on other bases. If CGB disallows costs, the recipient must repay FCC using non-federal funds. If the repayment is made through an offset of grant funds, the recipient will be required to maintain project activities at the previously approved level. Expenditures from non-federal funds in the amount of the offset will be subject to the federal cost principles and all other requirements that would apply to the expenditure of federal funds. Costs deemed unallowable may be appealed.

Temporarily Withholding Cash Payments

Temporarily limiting the recipient's ability to make drawdowns, or receive payments, referred to as withholding a payment, may be used as an enforcement action, provided:

- It is coordinated between the FCC GMO, FCC OMD, and HHS PMS. OMD cannot unilaterally override or change CGB's decision;
- This type of enforcement action generally is used to achieve compliance with a specific requirement within a reasonable period, such as late submission of a report (addressed below); and
- **Payment withholding cannot exceed 60 days.**

Withholding of cash payments may not be appealed under CGB's appeals procedures. Once FCC lifts the restriction and takes no further enforcement action, the recipient can draw funds or receive the payment to cover the period during which the restriction was in effect.

Late Submission of Quarterly and Final Reporting Requirements

If a recipient fails to submit a complete and accurate **quarterly** FFR or PPR within 10 business days after the established deadline, FCC will restrict the recipient's access to their PMS account until recipient is current with required reporting.

If a recipient fails to submit a complete and accurate **final** FFR or PPR within 30 business days after the established deadline, FCC will begin administratively closing out the associated grant, and unspent funds will be de-obligated.

Suspending an Award

If CGB determines that a recipient is not complying with the terms and conditions of its award(s), the agency can partly or wholly suspend an award. While a post-award suspension of award activities is in effect, it applies only to the award(s) or portion of the award specified by CGB.

If temporarily withholding payment or less severe enforcement actions do not achieve the desired result, CGB can temporarily suspend award activities pending corrective action by the recipient or terminate the award. **The post-award suspension of award activities period should be commensurate with the corrective action needed but must not exceed 120 days at the outset.**

If the recipient is not making sufficient progress in correcting the identified deficiencies, both the Grants Management Officer and the Program Officer must agree on the appropriate extension period to avoid the need for termination.

The notice of post-award suspension of award activities must clearly indicate:

- What project activities, if any, will take place during the period of suspension;
- What costs the awarding agency will reimburse if the enforcement action is ultimately lifted and the award resumed;
- What corrective actions must occur during the enforcement action; and,
- CGB's intent to terminate the award if the recipient does not meet the conditions of the enforcement action.

A post-award suspension of award activities is appealable.

Withholding Additional Awards

CGB may withhold additional awards by not making a non-competing continuation award (i.e., the next successive and any remaining budget periods) within a previously approved competitive project period. Withholding additional awards is considered an enforcement action if it addresses failure to comply with terms and conditions of the award or failure to make adequate progress. Regardless of the basis, withholding is a final action that does not allow for corrective action under that award or later reinstatement.

Withholding additional awards is appealable by the recipient.

Terminating an Award

Award termination will be considered pursuant to 2 CFR 200.340. CGB should terminate an award only when all other possible enforcement actions have been exhausted and there is no reasonable expectation that the recipient will complete the necessary corrective actions. (Exceptions include when an immediate termination action is needed to protect public health or welfare, or the federal government's interests.)

As part of a termination action, CGB must consider what actions it might take in the event of future awards to that recipient. The final costs of a terminated award may be negotiated if the recipient has non-cancelable obligations. Obligations incurred in anticipation or contravention of a termination are not allowable. CGB may unilaterally terminate an award for material failure to comply with the terms and conditions of the award, without first providing for post-award suspension. A recipient may appeal this type of termination. If non-compliance issues affect multiple awards and termination of all awards to the recipient is not viable, (e.g., programmatic

needs cannot be met), CGB may consider other actions, such as withholding payment, to try to achieve compliance across all affected awards. Termination remains an option.

CGB may terminate an award at the request of the recipient or by mutual agreement between CGB and the recipient. This is often referred to as termination for convenience. If a recipient requests termination, in whole or in part, CGB should take the necessary action to comply with that request. This may include planning for continuation of services or other ongoing needs and/or considering a replacement award. If a recipient requests termination of only a portion of an award, CGB may decide to terminate the remainder of the award if in the best interest of the program. This is often referred to as a termination for cause and such termination is appealable by the recipient.

Initiating Government-Wide Suspension and Debarment

Government-wide suspension and debarment activities are used to safeguard federal funds by disallowing awards to organizations and their principals (also termed “individuals” for the remainder of this chapter) based on a lack of business honesty or integrity.

The term “suspension” in suspension and debarment has a different meaning than “suspending award activities”. For purposes of this subsection, the definition of “suspension” is provided in 2 CFR 180.1015.

Awarding agencies may do business only with those organizations and provide funding for principals that have a satisfactory record of business ethics and integrity. There are processes in place that CGB must follow:

- To identify organizations and individuals that do not have a satisfactory record of business ethics and integrity; and,
- To afford due process if seeking to suspend or debar an organization or individual.

The government-wide Suspension and Debarment processes affect (or have the potential to affect) CGB in multiple ways:

- CGB may not make a new, renewal, non-competing continuation, or supplemental award to an organization that is suspended or debarred, whether because of action by FCC or another federal agency;
- CGB may not knowingly provide funding for a principal (e.g., the Principal Investigator/Project Director (PI/PD)) who is suspended or debarred, whether or not the individual’s organization is suspended or debarred; and,
- After award, if CGB determines that, since the time of its original award, an organization or any of its principals has been suspended or debarred, the awarding agency must take appropriate action concerning the ongoing award.

Each agency has a designated Suspending and Debarring Official, who has the authority to impose suspension or debarment should cause arise. (See 2 CFR 180.930 and 180.1010). Pursuant to 2 CFR 180.135 and 2 CFR 376.137, only the FCC SDO has the authority to grant an exception to let a suspended or debarred organization or individual participate in a covered

transaction. CGB must ensure that the suspension and debarment information is included in SAM.

A federal agency may debar an organization or any of its principals for any of the following reasons:

- Conviction or civil judgment for, commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction, violation of federal or state antitrust statutes, including those proscribing price fixing between competitors, allocation of customers between competitors, and bid rigging; commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; or commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects present responsibility (Source: 2 CFR 180.800 (a));
- Violation of the terms of a public agreement (including an award) or transaction so serious as to affect the integrity of an agency program, such as willful failure to perform in accordance with the terms of one or more public agreements or transactions; a history of failure to perform or of unsatisfactory performance of one or more public agreements or transactions; or a willful violation of a statutory or regulatory provision or requirement applicable to a public agreement or transaction; and
- Other reasons, such as knowingly doing business with an ineligible organization (defined in 2 CFR 180.110(c)), except as permitted under 2 CFR 180.135, or failure to pay a debt(s); violation of the provisions of the Drug-Free Workplace Act of 1988, or any other cause of so serious or compelling a nature that it affects present responsibility.

Upon conviction or civil judgment, the standard of proof for debarment is met. However, in any other debarment action, the awarding agency must establish the cause for debarment by a preponderance of the evidence (2 CFR 180.850).

The length of a debarment is based on the seriousness of the cause(s) on which the debarment is based. Generally, debarment will not exceed three (3) years (or five (5) years if based on violation of the Drug-Free Workplace Act); however, if circumstances warrant, the CGB may impose a longer or shorter period of debarment. Debarment can be preceded by a suspension if immediate action is necessary to protect the public interest. A suspension generally may continue until the conclusion of legal or debarment proceedings that are initiated at the time of, or during, the suspension. However, if proceedings are not initiated during that time, a suspension may not exceed twelve months (with the possibility of a six-month extension).

A non-compliance issue may be severe enough to warrant government-wide suspension or debarment of an individual or award recipient. Suspension or debarment issues at this level must be referred to the GMO, CGB Chief, and OGC. While it is still considered an enforcement action, it has multiple facets and may involve various determinations in different phases of the process.

Written Notifications of Enforcement Actions to Recipients

Recipients should be informed of the intention (initial notification) of CGB to use enforcement actions, and the final decision (notification implementing the action) concerning the selection of the actions. Both notifications must be addressed in writing to the authorized organization representative (AOR). If immediate enforcement action(s) must occur to protect public health or welfare or the interests of the federal government, an initial notification is not required. CGB must send the written notifications by certified mail, return receipt requested, or by other method that allows for confirming receipt of notification.

In the case of an immediate post-award suspension of award activities, CGB notification must indicate whether the action will be followed by a termination or whether there is any expectation of corrective action by the recipient.

The notification of a *proposed enforcement action* must clearly specify the following:

- The enforcement action being proposed;
- The non-compliance or other reason for the proposed action and the statutory, regulatory, policy provision, or term or condition that is the basis for that determination;
- The award number of the potentially affected award(s);
- Corrective actions needed, as appropriate;
- The due date for the recipient's written response, including the information required (e.g., submission of delinquent reports, or corrective action plan), which generally is 30 days from the date of the awarding agency's written notification, but can be sooner for payment withholding or later for withholding of support;
- The potential consequences of continued non-compliance; and,
- The intended effective date of the enforcement action in the absence of a satisfactory response.

If CGB does not receive a response from the recipient to its initial written notification, it must proceed with the enforcement action. Prior to implementing the enforcement action, the Grants Management Officer must notify the recipient in writing of the following:

- A summary of the initial notification letter, including the non-compliance issue and all relevant background and basis of CGB's decision, reference to the pertinent statutes, regulations, or other governing documents;
- A specific indication of the action CGB is taking, its scope (e.g., full or partial termination), and the effective date;
- Award number(s) of the affected award(s);
- The due date for compliance for a temporary action such as withholding of payment or post-award suspension of award activities;
- The effect on the recipient's ability to incur reimbursable costs;
- The effect on financial and performance reporting (e.g., for a termination, the due date for the final FFR, performance, and other reports);
- The proposed adjustment funding amount, if a final amended Notice of Award (NOA) will be needed, if a recipient's appeal right has lapsed and no appeal has been filed or accepted;
- Any accounting instructions (e.g., for return of unexpended funds and due date); and,

- Any appeal rights.

4.9 Fraud, Waste, and Abuse

Fraud, waste and abuse includes, but is not limited to, embezzlement, misuse, or misappropriation of grant funds or property, and/or false statements, whether by organizations or individuals. Examples are as follows: theft of grant funds for personal use; using funds for non-grant-related purposes; theft of federally owned property or property acquired or leased under a grant; charging inflated building rental fees for a building owned by the recipient; or submitting false financial reports. This section describes how the FCC will address cases in which individuals suspect foul play or unlawful activity in relation to a grantee or an individual associated with FCC grant funds.

Policy

Pursuant to the Inspector General Act of 1978 (Public Law 95-452) and FCC's Fraud, Waste and Abuse policy located at <https://www.fcc.gov/inspector-general/hotline>, recipients must notify the FCC Office of the Inspector General of suspected fraud, waste, and abuse in FCC programs. FCC's policy outlines the types of activities that would qualify as suspected fraud, waste and abuse, the process for filing a complaint anonymously or requesting it be handled confidentially and contact information for submitting a complaint.

4.10 Records Retention and Information Protection

The primary objectives of records management within the FCC are to ensure the capture, storage, retrieval, disposal, and preservation of records that serve as documentary evidence of the work and history of the FCC. A primary concern is ensuring that records are carefully preserved when they have value for future study or questions. Properly managed files will prevent the loss of historical records and make filing easier, simpler, more logical, and more efficient.

The Federal Records Act (44 U.S.C. 3101 et. seq.) and related regulations (36 CFR 1220-1239) require each federal agency to make and preserve records necessary to document the agency's policies, decisions, procedures, and essential transactions, as well as protect the legal and financial rights of the U.S. Government. Each federal agency must also maintain an active, continuing program to manage its records efficiently and provide effective controls over the creation, maintenance, and use of records in conducting current business. In support of these requirements, the Office of the Managing Director, Performance Evaluation and Records Management (OMD PERM), has created policies and procedures to manage federal records within the Commission. These policies and procedures are also intended to ensure that FCC Bureaus and Offices (B/Os) maintain active and effective records management programs at the direction of and in coordination with PERM.

Grant recipients generally must retain financial and programmatic records, supporting documents, statistical records, and all other records that are required by the terms of a grant, or may reasonably be considered pertinent to a grant, for a period of 3 years from the date the annual SF 269 Financial Status Report (FSR) is submitted. For awards where the FSR is submitted at the end of the competitive segment, the 3-year retention period will be calculated from the date the FSR for the entire competitive segment is submitted. Those recipients must

retain the records pertinent to the entire competitive segment for 3 years from the date the FSR is submitted. See 45 CFR 74.53 and 92.42 for exceptions and qualifications to the 3-year retention requirement (e.g., if any litigation, claim, financial management review, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken). Those sections also specify the retention period for other types of grant related records, including indirect cost proposals and property records. See 45 CFR 74.48 and 92.36 for record retention and access requirements for contracts under grants.

Policy

Federal records are:

All recorded information, regardless of form or characteristics, made or received by a federal agency under federal law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the United States Government or because of the informational value of data in them (44 USC 3301).

There are the four criteria in the definition pertaining to whether the recorded information is a record:

- Any media or “form” can be a record, whether it is a traditional form (such as paper) or if it is manipulated, communicated, or stored in digital or electronic form (such as a word processing document).
- A record can be either made or received by FCC employees and contractors.
- The recorded information relates to the transaction of public business and should be preserved because it supports the organization, functions, policies, decisions, procedure, or other U.S. Government activities.
- The data contains informational value. Records may be either temporary (eventually destroyed due to limited value or use) or permanent (kept forever due to their historical or significant value). A record is temporary or permanent based on its disposition schedule (see Section 2.5, Records Schedules).

Records management is the planning, controlling, directing, organizing, training, promoting, and other managerial activities involved with respect to records creation, records maintenance and use, and records disposition in order to achieve adequate and proper documentation of the policies and transactions of the Federal Government and effective and economical management of agency operations (see 44 USC 2901).

FCC Requirements

FCC Directive FCCINST 1110.4, Records Management Program provides the foundation and requirements for the establishment and maintenance of the FCC Records Management Program. It implements and assigns responsibilities for creating and preserving FCC records, to include the management of unique sets of records. Records schedules approved by NARA provide mandatory instructions for the disposition of the records (including the accession of permanent records and disposal of temporary records) when they are no longer needed by the agency. All

federal records must be scheduled (44 USC 3303) either by an agency schedule or a General Records Schedule (GRS).

Penalties for Unauthorized Creation and Destruction of Records

Records created or acquired by an official or employee of the Commission in the course of conducting FCC business are the property of the Commission. The maximum penalty for the willful and unlawful removal, mutilation, obliteration, destruction, or private use of any federal record includes a fine, up to three years in prison, or both (18 USC 2071). All employees are responsible for reporting any actual or threatened unlawful loss or removal of official records to the Agency Records Officer (ARO). Due to the increase of telework, employees and contractors should ensure that records created off-site are captured within a federal system or network. In particular, federal employees are prohibited from creating or sending a record using a non-official electronic messaging account unless the message is originally copied to or forwarded to an official electronic messaging account within 20 days. Electronic messaging tools may not be limited to just email. To encourage compliance and promote the seriousness of records management, the law provides for disciplinary action for intentional violations (44 USC 2209).

Transfer and Retirement

Active records should be maintained on-site when the volume of the records is consistent with efficient operations or space allows. They can be “retired” or transferred to storage when they are no longer active, the project is closed, and are not eligible for immediate destruction.

Transferring records is the process whereby records are moved from one location or custodian’s physical custody to another. This includes sending them to off-site storage. Records are usually transferred to off-site storage to retire them, or because a disposition schedule mandates that they be transferred after a specified period of time or action occurs.

Records should only be transferred to off-site storage when:

- Reference rate is low. Transfer files to storage if they are not referred to more than once a month per file drawer, provided that the cost of shipping them to storage does not exceed the savings to be achieved by reducing the current, more expensive, storage space used. Files that meet this criterion should be transferred regardless of how urgent the need for reference, important the records are, their classification, or the extent their use is restricted.
- Retention is more than one year. Ordinarily, files should not be retired to off-site storage if they will be destroyed within one year of the transfer.

However, occasionally files with a retention of less than one year may be retired if the files are bulky or continued retention in office space is costly. To determine if records are eligible for immediate destruction prior to transfer within the next year.

Destruction of Records

Regardless of where FCC records are destroyed (whether it is in an FRC, commercial storage facility, or in house), programs should work to ensure that there is no continuing business need. The closeout of a grant does not affect the retention period for, or federal rights of access to, grant records, nor the recipient’s responsibility to properly account for equipment purchased with

federal funds. Sometimes projects can be extended or circumstances not anticipated may delay the destruction of records. In these cases, the disposition schedule assigned to the records should be re-evaluated to determine if the approved retention is still applicable to the records or if schedule revision is needed due to new legal, regulatory, or business requirements. In rare instances, one particular file may have permanent value obviously lacking in the other records found in a series or system that is already scheduled as temporary. Additionally, the temporary records should be evaluated for the following considerations prior to destruction.

Litigation Holds

Records that are pending for destruction should be reviewed to ensure that no legal holds apply to the records. A legal hold requires that the Commission suspend any disposition of records that affect litigation actions reasonably anticipated or currently in progress. Holds are identified and issued by the FCC Office of General Counsel (OGC) and are mandatory. If records under a litigation hold are destroyed, it is considered an unlawful and/or accidental destruction (44 CFR 1230.3) and the Commission must promptly report it to NARA. Destroying records under a litigation hold can result in severe consequences both for the FCC and the individual. Consequences include, but are not limited to, fine, imprisonment, and negative media attention.

4.11 Audit Requirements

The audit provides an independent, cost-effective tool for obtaining information on the non-Federal entity's financial management practices and administration of Federal funds. As the recipient of Federal funds, you are responsible to manage the award by establishing and maintaining internal controls that provide assurances that all requirements can be met; establishing and maintaining an accounting system that uses generally accepted accounting principles that can adequately accumulate and segregate costs; and promptly and accurately prepare financial statements and related documents.

Policy

It is the awardee's responsibility to understand and comply with all audit requirements. Any awardees identified as having provided inaccurate information to FCC will be subject to payment recovery and other legal action. Further, all awardees shall maintain appropriate records and cost documentation including, as applicable, documentation described in 45 CFR § 75.302 – Financial Management and 45 CFR § 75.361 through § 75.365 – Record Retention and Access, and other information required by future program instructions to substantiate those awardees used all grant funds appropriately.

Upon the request of the FCC, the awardees shall promptly submit copies of such records and the awardees must fully cooperate in all audits the FCC or contractor procured by FCC, Inspector General, or any other stakeholder conducts to ensure compliance with applicable Terms and Conditions. Deliberate omission, misrepresentation, or falsification of any information by the awardee may be punishable by criminal, civil, or administrative penalties.

Non-Federal Entities (NFEs)

Audits shall be performed in accordance with the Single Audit Act Amendments of 1996, as implemented by Subpart F to 2 CFR § 200, "Audits Requirements." Non-Federal entities that are subject to the provisions of Subpart F and that expend \$750,000 or more in a year in Federal

awards must have an audit conducted for that year in accordance with the provisions of that Subpart. 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, a copy of the audit must be submitted electronically to the Federal Audit Clearinghouse website.

For-Profit/Commercial Entities

Commercial organizations have two options under 45 CFR § 75.216(d) and § 75.501(i):

- A financial related audit of the award or awards conducted in accordance with Generally Accepted Government Auditing Standards; or
- An audit in conformance with the requirements of 45 CFR § 75 Subpart F.

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 federal 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 FCC 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 Management Officer. In accordance with 2 C.F.R. § 200.425, the 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 Management Officer. Entities that are not subject to Subpart F of 2 C.F.R. Part 200 and that expend less than \$750,000 in federal 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 FCC or other designated officials for review and audit.

FCC defers to the auditor and the commercial organizations, and their auditors, to make a determination as to the basis of accounting that will be sufficient to complete a financial related audit in accordance with Government Auditing Standards under 45 CFR § 75 Subpart F. An audit is required if the For-Profit/Commercial Organizations expend \$750,000 or more in a year in Federal awards, which is consistent with the threshold set for Non-Federal entities that are subject to Single Audit Act.

Audit Scope

The audit will be conducted in accordance with the Generally Accepted Government Auditing Standards to ensure:

- 1) Financial records and statements are presented fairly,
- 2) Federal award transactions and expenditures are properly identified and tracked,
- 3) Internal controls and procurement procedures are adequate,
- 4) Federal laws, regulations, and terms of the federal award(s) are followed, and
- 5) Prior audit findings are corrected.

The auditor must complete and sign the specific sections of the data collection form, SF-SAC, as required in 2 CFR § 200.512. There are three reports generated as a result of the single audit: 1)

the auditor's opinion of the non-Federal entities financial statements and if such statements conform with the U.S. Generally Accepted Accounting Principles, 2) status of internal controls as they relate to the non-Federal entity's financial statements and major programs; and 3) opinion regarding the degree to which the non-Federal entity has complied with laws, regulations and terms and conditions of Federal financial assistance awards. Additionally, the audit will specify any findings via a Schedule of Findings and Questioned Costs. More information on the scope of the audit can be found in §200.514 Scope of audit.

Qualified Auditing Firms

Audits are conducted by a qualified independent auditing firm in accordance with the Generally Accepted Government Auditing Standards and guidance provided by Office of Management and Budget (OMB). Subpart F Audits Requirements of 2 CFR Part 200 outlines the steps and requirements for an auditor. FCC does not conduct the annual audit, nor can FCC prescribe a specific entity to perform the annual audit.

Federal Audit Clearinghouse

Annual federal audits and accompanying materials need to be uploaded into the Federal Audit Clearinghouse website, maintained by the U.S. Census Bureau on behalf of the Office of Management and Budget (OMB).

For-Profit/Commercial Audit Reporting Portal

For-profit/commercial organizations that have received ACP Outreach Grant Program funds are highly encouraged to submit their audits electronically in GrantSolutions.

Audit Findings

In the event the audit report includes findings, the non-Federal entity must prepare a corrective action plan (CAP) to address the findings as required under the Uniform Guidance, 2 CFR Part 200. The CAP must include the corrective action intended, the parties responsible for implementing the corrective action, and the anticipated completion date. The non-Federal entity may request clarification from the auditor and must consider auditor's recommendations. Examples of corrective actions may include modifying internal controls or procurement procedures, training, etc. If the non-Federal entity disagrees with any findings, the CAP must include the response, citing specific reasons for the disagreement. The CAP must accompany the audit when sent to the Federal Audit Clearinghouse.

CAP, as outlined above, is also required by for-profit/commercial entities when submitting their audit reports that contain audit recommendations.

Section 5. Closeout Procedures

This section describes the FCC procedures grant recipients are required to adhere to as awards are closed out at the end of the period of performance, including post-award record retention requirements.

5.1 Closeout Process

Generally, the FCC initiates the closeout process at the end of the period of performance to determine that all applicable administrative actions and all required work under the award have been completed. The closeout period begins immediately following the period of performance and extends for 120 calendar days. The FCC shall issue an official closeout letter via GrantSolutions system approximately 30-days prior to the end date of the award. This letter will include specific instructions and requirements for closeout of the award.

Policy

Per 2 CFR § 200.344, upon the period of performance end date of the award, recipients have 120 calendar days to submit all financial, performance, and other reports required in the Terms and Conditions of the Award, or receive approval, with a fixed due date, for an extension for the submission of a report(s) from the FCC. An award expires at midnight, local time for the recipient, on the period of performance end date noted on the latest Notice of Award (NOA).

Within 120 days after the end of the period of performance for the prime award or after an amendment has been issued to closeout an award before the original period of performance ends, whichever occurs first, recipients must liquidate all financial obligations incurred under the award and return any funds due to PMS as a result of refunds, corrections, or audits and submit the following documentation in <https://grantsolutions.gov>:

- The final request for payment, if applicable;
- The final FFR (SF-425);
- The final PPR and PPR-Supplemental; and
- Other documents required by the FCC.

In addition, any grant recipient or pass-through entity that issues subawards to any subrecipient is responsible for closing out those subawards as described in 2 CFR § 200.344; subrecipients are still required to submit closeout materials within 90 days of the subaward period of performance end date. After the prime award closeout reports have been reviewed and approved by the FCC, a closeout notice will be completed to close out the grant. The notice will indicate the period of performance as closed, list any remaining funds that will be de-obligated, and address the requirement of maintaining the award records for at least three years from the date of the final FFR.

Closeout may extend beyond 120 days if any of the following circumstances apply:

- There is a pending decision in an FCC appeal;
- There is unresolved monetary finding(s) related to that award in an audit; or
- The FCC is a party to an open legal action.

The FCC may grant an extension for the submission of a report(s) provided a written request from the recipient with sufficient justification for warranting the extension is received within 120 days of the period of performance end date.

If the FCC does not receive acceptable final reports within one year of the period of performance end date and determines that it cannot complete a closeout with the cooperation of the recipient,

the FCC may elect to complete an administrative closeout. An administrative closeout letter must be sent to the recipient by a means that allows for substantiation of the dates sent by the FCC and received by the recipient. See Section 5.2. Administrative Closeout for more information.

If the FCC decides that enforcement actions are necessary, the type of action and its scope must be commensurate with the program needs and action(s) (or inaction(s)) of the recipient.

5.2 Administrative Closeout

Administrative closeout is a mechanism for the FCC to administratively move forward with closeout of an award using available award information in lieu of final reports from the recipient per 2 CFR § 200.344(h)-(i). An administrative closeout is available to the FCC but used as a last resort. This mechanism can also require the FCC to make cost adjustments and unallowable/disallowable costs determinations based on the information it has, which may result in identifying a debt owed to the FCC by the recipient.

Policy

If the FCC administratively closes an award where no final FFR has been submitted, the FCC uses that administrative closeout date in lieu of the final FFR submission date as the start of the three-year record retention period. In addition, if an award is administratively closed, the FCC may decide to impose remedies for non-compliance per 2 CFR § 200.339, consider this information in reviewing future award applications, or apply special conditions to existing or future awards.

5.3 Closeout Adjustments

In performing the financial reconciliation, the FCC must ensure that the amount authorized for expenditure, the amount disbursed by the FCC, and the amount spent by the recipient are all reconciled.

Policy

Using the FFR, and other information as indicated, the FCC must review the following items:

- Unliquidated Obligations: The recipient may not have unliquidated obligations, that is, line 10.f of the FFR must be “0”; and
- Matching or cost-sharing requirements. Review and make any adjustments to the federal share based on actual, allowable costs after reviewing lines 10.i through 10.k of the FFR.

The FCC or the pass-through entity has the right to disallow costs and recover funds based on a later audit or other review. The FCC or the pass-through entity must make any cost disallowance determination and notify the non-federal entity within the record retention period. The FCC may make financial adjustments to a previously closed award such as resolving indirect cost payments and making final payments. Refer to 2 CFR § 200.345 for additional information.

To make a closeout adjustment to the federal funding amount, the FCC shall issue an amended NOA or make an appropriate closing entry in PMS to reflect the final authorized amount of federal funding, if an adjustment is necessary based on the information provided in lines 10.e and 10.h.

5.4 Wind Down Process

This section provides an overview of the wind down process in the event that ACP funds begin to diminish at a rate that it no longer is feasible to conduct outreach for the program.

Policy

The wind-down process begins when the forecasted end of the ACP is announced, thereby not giving sufficient time to implement and execute new outreach efforts. Recipients and subrecipients may continue to use their grant funds for outreach until ACP enrollments cease pursuant to any wind-down procedures to be established for the ACP. Once ACP enrollments cease, the remaining grant funds that have not been drawn down may be allocated back to the larger ACP budget to pay for broadband service and connected devices.

5.5 Records Management After Closeout

The management and protection of grant award information and files is an important function of the award life cycle, including after closeout. Various types of grant award information and files require maintenance including the following: award-specific files, program information files, and objective merit review files.

Policy

Per 2 CFR § 200.334, financial records, supporting documents, and all other non-federal entity records pertinent to a federal award must be retained for a period of three years from the date of submission of the final expenditure report to the FCC or pass-through entity in the case of a subrecipient. The FCC and pass-through entities must not impose any other record retention requirements upon non-federal entities. The record retention period may be longer than three years where an audit, litigation, or claim is not resolved and final action is not taken until after expiration of the three-year period; the FCC or another agency notifies the non-federal entity in writing that the retention period will be extended; or other circumstances outlined in 2 CFR § 200.334 - 200.336, 200.338, and 47 CFR § 54.1904.

Following closeout, the FCC must retain the entire official award file or archive it in accordance with FCC requirements and in a manner that allows access and retrieval of the file and its contents, when necessary. The FCC must ensure that any additional requirements after the closeout, such as audits or program income, have been appropriately handled.