



# GEORGIA TECHNOLOGY AUTHORITY BEAD COMPLIANCE AND MONITORING PLAN

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# 1. Program Overview

## Purpose

This plan is published by the Georgia Technology Authority (GTA), in accordance with the United States Department of Commerce's (Commerce) financial assistance listing number 11.035, as administered by the National Telecommunications and Information Administration (NTIA). This Compliance and Monitoring Plan outlines the oversight and accountability framework to facilitate the proper use of Broadband Equity, Access, and Deployment (BEAD) Program funds. This plan adheres to the statutory and regulatory requirements at minimum defined in the Compliance Framework section of this Compliance and Monitoring Plan.

## Alignment with BEAD Program Requirements and NTIA Guidelines

Monitoring and compliance reviews are designed to mitigate waste, fraud, and abuse, promote the timely and appropriate use of funds, and facilitate transparent reporting to stakeholders including the National Telecommunications and Information Administration (NTIA), the U.S. Department of Commerce, the Georgia General Assembly, and the public. It is assumed that any future guidance will also be incorporated into this plan.

### 1.b Summary Table: Roles and Responsibilities in Federal Grant Management

The Office of Planning and Budget (OPB) serves as the pass-through entity of funding to the GTA. OPB, who is the Eligible Entity, will act as the fiduciary recipient of the funds. This role entails a responsibility to oversee the proper allocation, distribution, and use of the funds to ensure compliance with federal and state requirements.

Acting as a subrecipient to OPB, GTA is tasked with the technical implementation of the BEAD program including the design of the structure of program and oversight over the compliance and performance within the program. GTA is responsible for reviewing all applications for eligibility, scoring eligible applications, recommending potential projects for award consideration to the Governor's Office, and compliance and monitoring of selected subrecipients.

Pursuant to 2 CFR 200.321 (a) & (b), Eligible Entities are required to distinguish the recipient type such as subrecipient vs contractor to determine which monitoring framework should be applied. Furthermore, pursuant to the BEAD NOFO, funding recipients, i.e., subgrantees<sup>1</sup>, shall have a subrecipient relationship with the Eligible Entity. Throughout this document, subgrantee and subrecipient are synonymous with the roles and responsibility of the subrecipient further delineated in the following table.

# 2. Compliance Framework

GTA will ensure that any prospective subrecipient (including contractors and subcontractors) has the capability to execute funded activities competently and in compliance with all applicable laws, state specific requirements, and policy and procedure documentation. This includes managerial and financial capacity, technical and operational capability, and adherence to program commitments.

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<sup>1</sup> The term subgrantee and subrecipient are used interchangeable. The BEAD NOFO refers to them as subgrantees while Uniform Guidance refers to them as subrecipients.

## Federal Requirements

The Broadband Equity, Access, and Deployment (BEAD) program, funded by the Infrastructure Investment and Jobs Act (IIJA), is subject to several federal laws and regulations, administered by the National Telecommunications and Information Administration (NTIA). These include the following:

**Infrastructure Investment and Jobs Act (IIJA):** This act, passed in 2021, established the BEAD program and its primary objectives of expanding high-speed internet access across the nation. [47 U.S.C. § 1702 \(Infrastructure Investment and Jobs Act – BEAD enabling statute\)](#).



- **BEAD Notice of Funding Opportunity (NOFO):** This document outlines the specific requirements and guidelines for states and territories (Eligible Entities) participating in the BEAD program, including:
  - **Network Capabilities:** Technical requirements for internet speed (at least 100 Mbps download and 20 Mbps upload), latency (low enough for real-time applications), and network reliability.
  - **Deployment Requirements:** Procedural and operational standards for broadband deployment.
  - **Service Obligations:** Commitments related to affordability, consumer protection, and service accessibility.
  - **Matching Funds:** Requires Eligible Entities or subgrantees to provide at least 25% of project costs in matching funds (exceptions apply, like for high-cost areas).
  - **Technology Neutrality:** The updated NOFO emphasizes technology neutrality, meaning states cannot prioritize one technology over another as long as it meets the required performance standards.
- **BEAD Restructuring Policy Notice:** This Policy Notice modifies and replaces certain requirements outlined in the BEAD Notice of Funding Opportunity (NOFO).
- **The General Terms and Conditions for the BEAD Program:** A contractual document identifying the Award Compliance Requirements, Prioritization and Terminology.
- **The Department of Commerce Standard Terms and Conditions:** This document sets out the standard terms and conditions (ST&Cs) applicable to this U.S. Department of Commerce (DOC or Commerce) financial assistance.
- **2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards):** This set of regulations governs how federal financial assistance, like BEAD grants, should be managed and accounted for.<sup>2</sup>
- **Letter of Credit/Performance Bond:** NTIA is providing notice of a conditional programmatic waiver of certain requirements set forth in section IV.D.2.a.ii of the BEAD Program NOFO related to the application of Weiss ratings to determine the acceptability of United States banks and credit unions to issue a letter of credit.
- **Build America, Buy America Act (BABA):** This act requires that infrastructure projects funded by federal financial assistance, including BEAD projects, use iron, steel, manufactured products, and construction materials produced in the United States. NTIA may issue waivers in specific circumstances to balance domestic production with program implementation.
- **National Environmental Policy Act (NEPA):** Requires environmental review for all BEAD-funded activities to assess and mitigate potential environmental impacts.
- **National Historical Preservation Act (NHPA):** Section 106 of the NHPA requires Federal agencies to consider the effects of their undertakings (projects) on historic properties by completing a review process codified at 36 CFR 800. Historic properties are buildings, structures,

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<sup>2</sup> [Tailoring the Application of the Uniform Guidance to the BEAD Program](#) outlines the applicable 2 CFR 200 requirements

objects, districts, or archaeological sites that are listed or eligible for listing in the National Register of Historic Places (NRHP).

- **Other Related Laws and Regulations:**

- **Data Collection:** Agencies supporting broadband deployment must provide data to NTIA for tracking BEAD funding.
- **Other Federal Funding Programs:** To avoid duplication, states cannot treat locations that have already received other federal, state, or local broadband funding as unserved, and BEAD funds cannot be used as matching funds for federal programs unless specifically allowed.
- **Cybersecurity and Supply Chain Risk Management:** ISP subgrantees that receive BEAD broadband deployment subgrants will be responsible for maintaining cyber and SCRM plans. We'll spend most of today discussing what the BEAD NOFO requires of those plans and resources available to help ISPs meet the requirements.

- **State-specific compliance requirements:**

- GTA's BEAD Subrecipient Agreement
- [Georgia Historic Preservation Act](#)
- [Georgia Environmental Policy Act](#)
- Georgia Broadband, Equity, Access and Deployment (BEAD) Grant Program Frequently Asked Questions

*It is important to note that the BEAD program's implementation is subject to ongoing adjustments and policy updates from the NTIA.*

## **BEAD Letter of Credit Waiver**

Originally, the [BEAD NOFO](#) mandated that subgrantees provide a letter of credit (LOC) equivalent to 25% of the subaward amount meeting eligibility requirements consistent with those set forth in [47 C.F.R. § 54.804\(c\)\(2\)](#) to ensure project completion and safeguard federal investments.

However, on October 23, 2023, the LOC Requirement was [waived](#) altering the financial capability requirements. The LOC Requirement is waived only to the extent to and as described below:

- 2.1 Subgrantee Option to Use Credit Unions
- 2.2 Subgrantee Option to Use Performance Bonds
- 2.3 Reduction of LOC/Performance Bonds Upon Completion of Milestones
- 2.4 Subgrantee Option for Alternative Initial LOC or Performance Bond Percentage

## **Reduction of LOC/Performance Bond Requirements Upon Meeting Milestones and Additional Criteria**

The requirement for an initial LOC of 25% of the subaward amount or a performance bond of 100%, can be lowered as subgrantees reach specific project milestones and follow these requirements:

- Funds are issued on a reimbursement basis consistent with Section IV.C.1.b of the NOFO;
- Reimbursements occur every six months or less; and
- The subgrantee maintains a LOC or performance bond of at least 10% of the subaward until all locations are built or the project period ends, whichever occurs first.

**The following actions apply only to BEAD fixed amount subawards whose majority purpose is a broadband infrastructure project.**

Fixed Amount Subawards	<ul style="list-style-type: none"> <li>• Permits grantees to make fixed amount subawards for broadband infrastructure projects</li> <li>• Subgrantees may do so regardless of whether</li> <li>• The value of the subaward exceeds the Simplified Acquisition Threshold of \$250k and</li> <li>• Notwithstanding the BEAD program's statutory match requirement</li> <li>• Implications to budget modifications, match, monitoring, reporting and drawdowns</li> </ul>
Cost Principals	<ul style="list-style-type: none"> <li>• Cost principle rules do not apply to fixed amount awards</li> </ul>
Procurement Standards	<ul style="list-style-type: none"> <li>• Provides an exception to the procurement standard rules</li> </ul>
Property Standards	<ul style="list-style-type: none"> <li>• Exceptions, adjustments, and clarifications for fixed amount subawards, including title, management and use requirements, liens, encumbrance and disposition.</li> </ul>

## 3. Subawards

### 3a. Fixed amount subawards

All Georgia BEAD subawards will operate as fixed amount subawards, with a performance-based method of repayment. Subrecipients under this fixed amount subaward are not required to comply with the procurement requirements and cost principles under the Uniform Guidance pursuant to NTIA's policy update. Awardees will be able to receive a minimum of 10% percent of the awarded funds without having any passed locations.

Subsequently, GTA will utilize a reimbursement method of repayment in which costs will be reimbursed to subrecipients in accordance with either objectives met, units built, or total project complete. An Eligible Entity may not provide advance payments, or reimburse any amount of a fixed amount subgrant, upfront or before the agreed upon milestone is met.

. Funding will be tracked using the following milestones:

- 10% - completed kickoff planning meeting
- 25% - completed design and field survey
- 35% - obtained all applicable permits
- 35 – 50% - passed locations / miles installed between 0% and 15%\*
- 50 – 95% - passed locations / miles installed between 15% and 80%\*
- 100% - all locations available for service on FCC Broadband Availability Map

\* Funding requests in this milestone are based upon percentage of completion and calculated by a formula which utilizes the lesser of passed locations or miles installed.

### 3b. Application of the Uniform Guidance to the BEAD Program

Based on the **Tailoring the Application of the Uniform Guidance to the BEAD Program**

Published in the [Fixed Amount Subaward Overview](#), Grantees may issue fixed amount subawards for BEAD projects where the major purpose is broadband deployment regardless of whether the value of the subgrant exceeds the Simplified Acquisition Threshold for fixed amount subawards (\$250k+). Additionally, while the Uniform Guidance provides that fixed amount subawards generally cannot be used in programs which require mandatory cost sharing or match, NTIA has opted to keep all match requirements, even for fixed amount subawards. Further, grantees may still choose to treat subgrants as fixed amount subawards, and retain the benefits, even if the grantee requires subgrantees to submit evidence of costs (i.e., receipts), so long as the subgrantee identified does not exceed the allocated amount. Finally, as seen in Figure 4, several requirements within 2CFR 200 are inapplicable if using a fixed amount subaward agreement.

- **Uniform Guidance Compliance:** Recipients and subrecipients must follow the provisions of the Uniform Guidance (2 CFR Part 200) relating to subrecipients. This includes regulations on property standards, ensuring proper accountability for equipment and real property acquired with BEAD funds.

### Allowable Costs

Allowable Costs are costs consistent with the principles set out in 2 CFR Part 200, Subpart E, and those permitted by the grant program authorizing legislation and the BEAD NOFO. Fixed award grants are subject to [§§ 200.400\(g\)](#), [200.402](#) through [200.405](#), and [200.407\(d\)](#).



<b>Eligible costs include, but are not limited to:</b>
Construction, improvement, or acquisition of broadband-related facilities and equipment, including infrastructure supporting backhaul, middle-mile, and last-mile networks.
Long-term leases necessary for service delivery, including Indefeasible Right-of-Use (IRU) agreements.
Deployment of internet and Wi-Fi infrastructure in eligible multi-family residential buildings.
Engineering design, permitting, and work related to environmental, historical, or cultural review compliance.
Personnel costs for staff and consultants directly engaged in the implementation of BEAD-funded activities.
Network software upgrades, including cybersecurity enhancements
Cybersecurity training for professionals managing or maintaining BEAD-supported networks.
Workforce development initiatives, such as registered apprenticeships, pre-apprenticeships, and vocational or community college training programs.

## **Unallowable Costs**

Unallowable Costs are costs that do not meet the criteria of reasonableness, allowability, and allocability and do not comply with the funding statute and agency requirements (see 2 CFR § 200.403).

Non-Federal entities must not use Federal awards or match funding for unallowable costs under the award. Per Federal grant regulations, 2 CFR § 200.1 (disallowed costs), “Disallowed costs means those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.” Per Federal grant regulations 2 CFR § 200.410, “Payments made for costs determined to be unallowable by either the Federal awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise.” See also, 2 C.F.R. 200.346, Collections of amounts due.

It is highly recommended that recipients familiarize themselves with this section of the NOFO to ensure that Federal funds are not inappropriately expended. Examples of ineligible uses include covered communications, equipment, or services as defined in Section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1608), profits and fees, and collective bargaining.

<b>Ineligible costs include but are not limited to:</b>
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Personal expenses, including housing, travel, and vehicle costs for employees, contractors, or affiliated individuals.
Gifts, entertainment, food and beverage (except as part of reasonable, work-related travel), and membership dues in clubs or similar organizations.
Expenses for property or equipment not logically connected to broadband infrastructure, including personal consumer electronics, artwork, and luxury items.
Political contributions, charitable donations, scholarships, unrelated sponsorships or events, and non-product-related corporate advertising.
Penalties, fines, or late fees associated with regulatory violations or financial obligations.
Any other costs deemed unallowable under applicable federal cost principles.

## 4. Risk Assessment

### 4a. Requirement

Risk assessments are required to be performed by Eligible Entities for every subaward pursuant to 2 CFR 200.332. This assessment is crucial for determining the appropriate level of monitoring needed for the subrecipient and ensuring compliance with federal regulations. As such, all BEAD subrecipients will undergo risk assessments to evaluate certain criteria within program requirements to establish a baseline risk profile for the awarded projects. These assessments will evaluate each subrecipient's capacity to manage federally funded broadband projects responsibly, focusing on financial stability, operational readiness, and compliance history. Risk assessments begin at the pre-award stage and continue throughout the life of the project.

In the pre-award phase, a review will be conducted of financial statements, audit history, project management capacity, and all required plans, including those related to cybersecurity and supply chain risk management in accordance with the NIST standards. Subrecipients must also meet NTIA requirements for financial assurances, such as letters of credit or other approved instruments. While many of the same documents are used, the risk assessment is performed separately from the applicant evaluation for meeting managerial, organizational and financial requirements of the BEAD program, and is not part of the overall project evaluation and scoring.

Based on the pre-award risk assessment process, GTA will produce a workbook indicating a risk score based on Federal best practices outlined in 2 CFR 200.206 to include:

- I. Financial stability.** The applicant's record of effectively managing financial risks, assets, and resources;
- II. Management systems and standards.** Quality of management systems and ability to meet the management standards prescribed in this part;
- III. History of performance.** The applicant's record of managing previous and current Federal awards, including compliance with reporting requirements and conformance to the terms and conditions of Federal awards, if applicable;
- IV. Audit reports and findings.** Reports and findings from audits performed under subpart F or the reports and findings of any other available audits, if applicable; and

- V. Ability to effectively implement requirements.** The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on recipients of Federal awards.

This will inform risk associated with each potential subrecipient prior to making awards. Following the execution of the subrecipient agreement, GTA will conduct additional steps in the risk assessment process to gather additional information for a risk-based monitoring plan. Subrecipients will be categorized by risk level, with higher-risk entities receiving more frequent oversight, including site visits, and targeted reviews.. Risk will be reassessed annually and whenever issues arise, such as performance delays or potential non-compliance findings.

#### 4b. Risk Assessment Methodology

GTA will conduct activities to assess the risk of non-compliance, fraud, and/or fiscal negligence of each subrecipient. This process begins with an evaluation of inherent risks to the program, an evaluation of specific risk at the grant application level, and individual evaluations of the internal control and performance environment of each subrecipient. These assessments directly impact the level of detailed test work performed during annual audits, helping to ensure the extent of auditing procedures is commensurate with the level of risk for each subrecipient.

The Risk Assessment Approach is based on both (Inherent & Program-Specific Risks) identified in the following table.

Inherent Risks	Program Specific Risks
<ul style="list-style-type: none"> <li>• Reporting</li> <li>• Procurement</li> <li>• Disbursements</li> <li>• Change management</li> <li>• Claims and disputes</li> <li>• Document control</li> <li>• Information systems</li> <li>• Internal controls</li> <li>• Others as identified</li> </ul>	<ul style="list-style-type: none"> <li>• 2 CFR Compliance</li> <li>• Financial / Single Audit results (if applicable)</li> <li>• State and federal reporting</li> <li>• Permitting</li> <li>• Disbursements</li> <li>• Subcontracting</li> <li>• Change Orders / Contingency Use</li> <li>• Inspections</li> <li>• Construction fieldwork</li> <li>• Environmental</li> <li>• Safety</li> <li>• Project management</li> </ul>

Based on both inherent risks and programmatic risks, each subrecipient will be assessed through a risk assessment tool to identify the subrecipient's risk assessment score. Each subrecipient will receive a respective score which will determine the frequency of monitoring events as defined in the table below.

Risk Type	Definition
<b>High Risk</b>	Subrecipients classified as high risk require intensive oversight due to potential concerns with financial or programmatic operations based on their risk assessment.
<b>Medium Risk</b>	Subrecipients at medium risk need moderate oversight and show some areas that warrant closer attention based on their risk assessment.
<b>Low Risk</b>	Subrecipients considered low risk require standard oversight and generally demonstrate strong compliance

As a part of its ongoing monitoring efforts, GTA will conduct regular audits of financial records, performance data, and other information at each subrecipient. The frequency and extent of these procedures will vary by subrecipient, as determined by the risk assessment or other criteria, and typically include inquiry, observation, and inspection of data and records. An analysis of the updated risk scoring will influence further monitoring events and future risk assessments.

## 5. Subgrantee Monitoring Plan

The purpose of the Subgrantee Monitoring Plan is to ensure that subgrantees comply with all applicable federal, state, and local regulations, including the administrative requirements, cost principles, and audit standards outlined in 2 CFR Part 200. This plan supports the effective stewardship of public funds and promotes program integrity through proactive oversight, technical assistance, and risk-based monitoring. This section delineates the method of monitoring and the monitoring documentation that will be assessed.

### Monitoring Methods

GTA utilizes a variety of methods to assess subrecipient risk and ensure compliance:

- **Day-to-Day Communication**

Program Specialists maintain regular contact with subrecipients to provide guidance, review reimbursement requests, and clarify programmatic expectations.

- **Site Visits**

Periodic site visits are conducted to evaluate program implementation, adherence to guidelines, and progress toward the BEAD program goals. These visits also serve as opportunities to identify issues and offer technical assistance.

- **Field and Desk Compliance Reviews**

These in-depth reviews assess fiscal and administrative compliance through testing of internal controls, accounting practices, procurement procedures, and equipment management. These reviews allow subrecipients to validate specific operational assertions a. These may include:

- Compliance questionnaires and corrective action follow-up
- Equipment verification and management testing
- Site inspections
- Follow-up visits to confirm corrective actions

- **External Independent Audit Reports/Programmatic Audits**

- GTA obtains and reviews financial statement audits, management letter comments and reports submitted under the Single Audit Act (2 CFR Part 200 Subpart F).
- GTA initiates follow-up actions based on audit findings to ensure resolution of any identified issues.

- **Technical Assistance Services**

GTA identifies high-risk areas through monitoring and uses this data to develop targeted training and technical assistance. Support is delivered through group and individual training sessions, online resources, and self-assessment tools designed to strengthen subrecipient capacity.

### Monitoring Phases

GTA will monitor each subrecipient in three phases.

- Phase 1 is the Pre-Award Compliance Review
- Phase 2 is the Post-Award Monitoring
- Phase 3 is the Closeout



## Phase 1: Pre-Award Compliance Review

The objective is to evaluate the subgrantee's ability to manage federal funds responsibly and comply with financial and administrative requirements under 2 CFR §§200.302–200.303, §200.331, and applicable program-specific regulations: Financial capability, technical capability, and managerial capability as stated in the BEAD NOFO.

### Financial & Organizational Capacity Procedure

- Document Review: Assess audited financial statements, IRS Form 990s, and Single Audit reports (if applicable for audit opinions, significant deficiencies, material weakness, noncompliance, critical matters, going concerns and low risk auditee determination.
- Risk Indicators: Identify financial instability, prior audit findings, or lack of internal controls.
- Capacity Verification: Confirm the organization's ability to track expenditures by funding source, maintain source documentation, and comply with cost principles and audit requirements.
- Policy Evaluation: Review written policies and procedures (P&Ps) for:

Policy	Requirements
Code of Conduct / Standards of Conduct (§ 200.318(c))	Written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.  Written standards of conduct covering organizational conflicts of interest if the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe.
Conflict of Interest Policy (§200.318(c))	No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest.  The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.  Disciplinary actions are applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

## Technical Readiness and Project Feasibility Review

<b>Objective</b>	To determine whether the subgrantee is prepared to implement the proposed project within the required timeframe and budget, and whether the project scope is achievable and aligned with program goals.
<b>Procedure</b>	<p><b>Project Planning Review:</b></p> <ul style="list-style-type: none"><li>• Confirm completion of scoping, preliminary design and final design stages.</li><li>• Assess alignment with regional/state plans and stakeholder engagement efforts.</li></ul> <p><b>Schedule and Budget Validation:</b></p> <ul style="list-style-type: none"><li>• Review proposed timelines, cost estimates, and resource availability.</li><li>• Verify readiness to meet obligation and expenditure deadlines.</li></ul> <p><b>Organizational Readiness:</b></p> <ul style="list-style-type: none"><li>• Evaluate staffing, governance structure, and project management systems.</li><li>• Confirm ability to secure non-federal match and comply with all applicable laws and regulations.</li></ul>

## Phase 2: Post Award Monitoring Procedures

To ensure that subgrantees implement federally funded projects in accordance with the terms and conditions of the Grant Subaward, applicable laws, and programmatic requirements. Monitoring activities are designed to verify progress, validate expenditures, and support compliance through technical assistance and corrective action when necessary.

### Suspension and Disbarment Check

<b>Objective</b>	Pursuant to 2 CFR § 200.113, the subgrantee for a federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures can result in any of the remedies described in § 200.339. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)
<b>Procedure</b>	<ul style="list-style-type: none"><li>• Utilize SAM.gov to validate subgrantee's unique entity identifier (UEI) and expiration date, determine current status, verify the name on the registration matches the name of the subgrantee, and any exclusions or proceedings.</li><li>• Document all findings for follow up and potential corrective actions.</li></ul>

## Budget Analytics

<b>Objective</b>	Pursuant to <u>§ 200.302(b)(5)</u> perform a comparison of expenditures with budget amounts for each federal award.
<b>Procedure</b>	<ul style="list-style-type: none"> <li>• Perform analytics on budget categories and expenditure category totals.</li> <li>• Test a sample of budget modifications to include supporting documentation and existence of appropriate approvals.</li> </ul>

## Performance Measurement

<b>Objective</b>	Pursuant to 2 CFR 200.301, measure the subgrantee's performance to show achievement of program goals and objectives, share lessons learned, improve program outcomes, and foster adoption of promising practices.
<b>Procedure</b>	<p>Obtain the latest project status reports detailing activities completed, challenges encountered, and adjustments made from the subgrantee and review:</p> <ul style="list-style-type: none"> <li>• Review the schedule and timeline status and compare actual progress against planned milestones.</li> <li>• Review budget and compare actual progress against planned budget and current reimbursements.</li> <li>• Review the risk and issue logs for any risks or issues that could or has impacted project progress.</li> <li>• Review lessons learned during reporting period.</li> <li>• Utilize GIS tools, photos, and engineering documentation to validate physical progress.</li> <li>• Identify best practices to foster adoption of promising practices.</li> <li>• Discuss project status updates during scheduled monthly meetings.</li> <li>• Identify delays or deviations for follow-up and potential corrective action.</li> </ul>

## Permits and Inspections

<b>Objective</b>	Conduct interview with permitting and inspections team, obtain copy of permit(s) and inspection report(s) as applicable in conjunction with site visit. Ensure the proposed project complies with environmental laws and permitting requirements prior to award, including the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA).
<b>Procedure</b>	<p><b>Inspections</b></p> <ul style="list-style-type: none"> <li>• Interview subgrantee's permitting and inspections team to determine the status of the project, what are the required inspections and permits, their status and who is responsible for tracking permits and inspections. If permits have been completed or noted as "in-progress", request copies of such permits and respective inspections.</li> </ul>

	<ul style="list-style-type: none"> <li>• Cross-reference permits to the NTIA permitting tool and other GIS tools to validate the presences of required permits and inspections. Identify areas of non-compliance for follow-up and potential corrective action.</li> </ul> <p><b>NEPA Review:</b></p> <ul style="list-style-type: none"> <li>• Determine the appropriate NEPA pathway: Categorical Exclusion (CE), Environmental Assessment (EA), or Environmental Impact Statement (EIS).</li> <li>• Assess potential environmental impacts and required documentation.</li> <li>• Confirm coordination with lead federal agency and submission of necessary forms and maps.</li> </ul> <p><b>NHPA Section 106 Review:</b></p> <ul style="list-style-type: none"> <li>• Identify potentially affected historic properties. Assess the project's potential for adverse effects.</li> <li>• Consult to avoid, minimize, or mitigate adverse effects, where identified</li> </ul> <p><b>Permitting Inventory:</b></p> <ul style="list-style-type: none"> <li>• Identify required federal, state, and local permits (e.g., wetlands, floodplains, endangered species).</li> <li>• Review timelines for permit acquisition and environmental approvals</li> </ul> <p>Detailed components of the environmental compliance monitoring project will vary depending on project type, location, and relevant infrastructure.</p>
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#### Payment Requests and Reimbursement Reviews for Fixed Awards

<b>Objective</b>	To ensure that payment requests are accurate, supported by documentation, and meet predefined milestones.
<b>Procedure</b>	<ul style="list-style-type: none"> <li>• Review documentation supporting milestone completion.</li> <li>• Confirm that expenditures align with approved budget categories and performance periods.</li> <li>• Validate that matching funds (if applicable) are properly documented and reported.</li> <li>• Flag discrepancies for clarification or disallowance.</li> </ul>

#### Match Funds

<b>Objective:</b>	To determine that match funds have been utilized as per the application and subgrantee agreement.
<b>Procedure</b>	<ul style="list-style-type: none"> <li>• Review the source and amount of match funds pledged in the application and subgrantee agreement and analyze the matching funds expended by budget category.</li> <li>• Confirm remaining match funds amounts and compare to milestone completion status.</li> </ul>



### Contractor Interviews

<b>Objective</b>	To conduct interviews with key engineering, design and construction contractors pursuant to 2 CFR § 200.329(d).
<b>Procedure</b>	Identify members of key engineering, design and construction contractors to validate project percentage of completion, adherence to scope, and to monitor progress under Federal awards and subawards for construction.

### Documentation and Deliverables Verification

<b>Objective</b>	To confirm that required reports, certifications, and program deliverables are submitted timely and meet quality standards.
<b>Procedure</b>	<ul style="list-style-type: none"><li>• Maintain a checklist of required deliverables (e.g., quarterly reports, environmental documentation, equipment inventories).</li><li>• Review submissions for completeness, accuracy, and consistency with grant terms.</li><li>• Follow up on missing or deficient documentation and provide technical assistance as needed.</li></ul>

## Site Visits and Field Validation

<b>Objective</b>	To observe project implementation and verify compliance with programmatic and regulatory requirements.
<b>Procedure</b>	<ul style="list-style-type: none"><li>• Schedule site visits based on risk level, project complexity, and milestone status.</li><li>• Use standardized monitoring tools to assess physical infrastructure, equipment, and operational practices.</li><li>• Interview staff and review on-site records to validate site safety and security.</li><li>• Perform testing to verify locations served, download and upload speeds and latency.</li><li>• Document findings and provide feedback or recommendations.</li></ul>

## Corrective Action Plans (CAP) for Non-Compliance Findings

<b>Objective</b>	To address deficiencies identified during monitoring and ensure timely resolution.
<b>Procedure</b>	<ul style="list-style-type: none"><li>• Issue formal monitoring reports outlining findings, required corrective actions, and deadlines.</li><li>• Require subgrantees to submit a written Corrective Action Plan (CAP) detailing steps to resolve issues.</li><li>• Monitor CAP implementation through follow-up reviews, documentation checks, and site visits.</li><li>• Escalate unresolved issues in accordance with <b>2 CFR §200.339</b>, which may include suspension, termination, or fund recovery.</li></ul>

## Phase 4: Closeout

<b>Objective</b>	To verify submission of performance monitoring and service validation closeout reports as required by 2 CFR 200.344 and the Department of Commerce Grants and Cooperative Agreements Manual. (Department of Commerce, 2021)
<b>Procedure</b>	Ensure that all required reports are complete, accurate and have been submitted. Further details in Section 8. Reporting Requirements.

# 6. Financial Management

Subrecipients must implement and maintain robust financial management systems aligned with applicable federal and state regulations. Financial systems must support the proper stewardship of federal funds by promoting cost-effective project execution, maintaining transparency, and upholding accountability for program-funded expenditures.

Subrecipients are required to follow Generally Accepted Accounting Principles (GAAP) or other standard accounting practices to establish systems that facilitate accurate, current, and complete financial reporting. This includes maintaining detailed source documentation for all transactions, establishing

internal controls to prevent waste, fraud, and abuse, and segregating duties among staff to promote accountability. Expenditures must be regularly compared to the approved project budget, and any budget deviations must receive prior approval in accordance with BEAD program requirements.

Cash management procedures must minimize the time between the receipt and disbursement of Federal funds. Subrecipients must account separately for matching contributions, supported by appropriate documentation. Required financial records include project related ledgers for general activity, cash receipts and disbursements, fixed assets, and budget control.

### Cash Flow Monitoring

<b>Objective</b>	To ensure that grant expenditures align with the approved budget and that project cash flow is managed in accordance with federal requirements to minimize the time between fund drawdown and disbursement.
<b>Procedure</b>	<p><b>Cash Flow Analysis:</b> Track project drawdowns and disbursements to ensure funds are used promptly and appropriately. Avoid excessive cash on hand.</p> <p><b>Forecasting:</b> Require subrecipients to submit periodic project cash flow projections to anticipate funding needs and prevent overdrafts.</p> <p><b>Documentation:</b> Maintain records of drawdown requests, bank reconciliations, and disbursement logs for project funds.</p>

## 7. Audit Requirements

As outlined in the Policy Notice (Commerce, 2023), under the Uniform Guidance, all non-Federal entity subrecipients that expend \$750,000 or more in Federal award funds, in the aggregate across all subawards, during their fiscal year are subject to the audit requirements in subpart F. Non-Federal entity subrecipients are required to submit single audits or program-specific audits to the Federal Audit Clearinghouse, the governmentwide repository for audits of financial assistance programs.

Commercial entity subrecipients are not subject to Subpart F but are subject to the audit requirements as stipulated in the award or sub-award between a Federal awarding agency and a recipient. And pursuant to 2 CFR 200.501(h), Eligible Entities have an obligation to ensure compliance by commercial entity subrecipients. Under that provision, methods to ensure compliance for Federal awards made to commercial entity subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits.

Subrecipients are required to participate in monitoring activities, including pre-award and post-award audits, as applicable. Subrecipients must maintain accurate and complete financial records and systems and retain all project-related documentation for a period of no less than four years from the date of submission of the final expenditure report. These records must be made available upon request to GTA, the U.S. Department of Commerce, the NTIA and the U.S. Government Accountability Office (GAO), and must be produced within thirty days of such a request.

Failure to meet requirements may result in the imposition of Corrective Action Plans or Enforcement Actions, including the recapture of awarded funds where appropriate. Subrecipients are strongly encouraged to adopt the highest feasible level of financial oversight to promote full compliance with state and federal requirements.

Note that the Financial Statement Audit and Single Audit requirements noted above are separately issued audits; for subrecipients with federal expenditures over \$750,000, both types of audits are required and must be submitted.

### **Audit Monitoring Process**

The purpose of this process is to ensure timely identification and resolution of audit findings, promote sound financial management, and safeguard federal funds. GTA will take a risk-based and compliance-driven approach to monitoring Subrecipient audits, focusing on:

#### **1. Verification of Audit Requirement Applicability**

- Determine annually whether the Subrecipient meets the audit threshold under 2 CFR § 200.501 (currently \$750,000 or more in federal expenditures in a fiscal year).
- Identify Subrecipients that are exempt from the single audit requirement but may still require financial review.

## **Audit Tracking and Follow-up**

- Maintain a centralized Audit Tracking Log with due dates, submission status, and findings.
- Use an annual calendar to monitor deadlines based on each Subrecipient's fiscal year-end.

## **2. Document Review and Risk Assessment**

- Review the Subrecipient's audit reports, Schedules of Expenditures of Federal Awards (SEFA), and management letters.
- Assess audited financial statements, IRS Form 990s, and Single Audit reports (if applicable for audit opinions, significant deficiencies, material weakness, noncompliance, critical matters, going concerns and low risk auditee determination)
- Review opinions in applicable management letters.
- Evaluate the severity, nature, and recurrence of findings.
- Update the Subrecipient's Risk Assessment Profile to inform future monitoring intensity.

## **3. Resolution and Corrective Action Oversight**

- Require Subrecipients to submit a Corrective Action Plan (CAP) for each finding.
- Verify implementation of corrective actions through documentation review and/or site visits.

## **Audit Submission Procedures**

### **Step 1 – Annual Audit Requirement Notification**

- Annually, the Prime Recipient will send a formal notification to all Subrecipients reminding them of:
  - Their audit obligations under 2 CFR Part 200 and applicable Policy Notice.
  - The due date for submitting completed audit reports (no later than 9 months after fiscal year-end).

### **Step 2 – Audit Submission by Subrecipient**

#### **Audit Requirements**

Under the Uniform Guidance, all non-Federal entity subrecipients that expend \$750,000 or more in Federal award funds, in the aggregate across all subawards, during their fiscal year are subject to the audit requirements in subpart F. Non-Federal entity subrecipients are required to submit single audits or program-specific audits to the Federal Audit Clearinghouse, the government-wide repository for audits of financial assistance programs.

Commercial entity subrecipients are not subject to Subpart F but are subject to the audit requirements as stipulated in the award or sub-award between a Federal awarding agency and a recipient. 30 And pursuant to 2 CFR 200.501(h), Eligible Entities have an obligation to ensure compliance by commercial entity subrecipients. Under that provision, methods to ensure compliance for Federal awards made to commercial entity subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits.

- Subrecipients exempt from the Single Audit threshold must submit:
  - A Certification of Exemption form verifying total federal expenditures for the years.

- Financial statements or other applicable documentation for review
- Programmatic Audit if required.

### Step 3 – Prime Recipient Audit Review

- Upon receipt, the grants compliance team will:
  1. Confirm timely submission.
  2. Review the report for completeness and compliance with American Institute of Certified Public Accountants (AICPA) standards.
  3. Identify any findings, or internal control deficiencies.
  4. Document results in the Audit Tracking Log.

## 8. Reporting Requirements

To facilitate effective oversight and compliance with Federal and State requirements, subrecipients are required to submit periodic reports that document both programmatic progress and financial performance. These reports serve to inform the GTA and NTIA of the project's status and to confirm that adequate resources are available to support successful completion. All reporting must be timely, complete, and submitted in accordance with the terms of the subrecipient agreement.

### 1. Semi-annual Progress Reports

The BEAD Program Semi-Annual Report will assess a grant recipient's progress towards BEAD Program Requirements. The data captured in the final, approved Semi-Annual Report will be referenced while reviewing future reports and provide information for Federal Program Officers (FPOs) to monitor, evaluate, and support the success of grant recipients' goals and milestones. The BEAD Semi-Annual Report fulfills the reporting requirement set forth in Section VI.B.7 of the NOFO and as such, is separated into seven (7) sections.

- **Summary:** Collect information about your grant and the person completing the BEAD Semi-Annual Report
- **Statutory Requirements, Initial Planning Funds:** Highlight uses of the initial planning funds during the reporting period related to key metrics
- **Initial Planning Funds:** Provide additional information on a breakdown of the use of funds
- **Use of Funds:** Provide information on planned and actual use of funds
- **Supplementary Information:** Provide additional information about the project
- **Certification:** Confirm information
- The report must include an updated Performance (Technical) Report form located at: [BEAD Semi-Annual Report IPF and IPFR.xlsx](#).

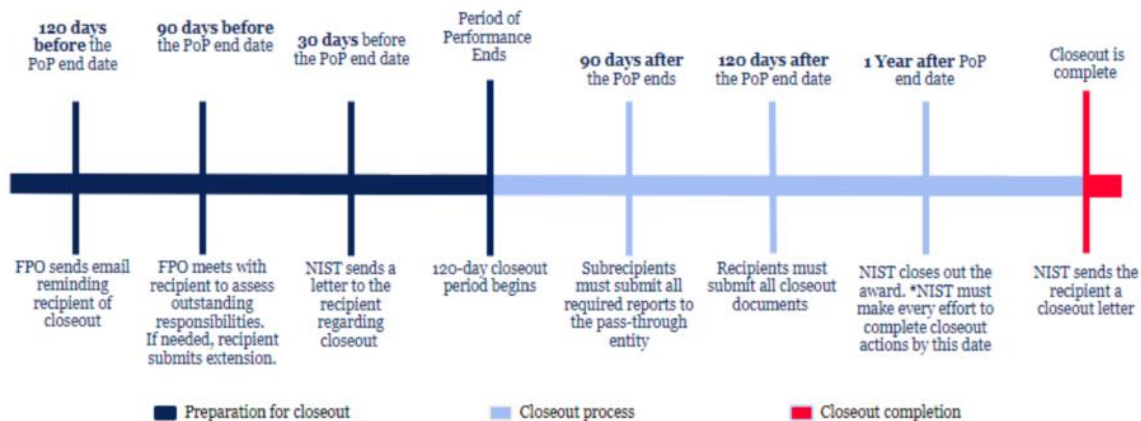
The BEAD Program Grant Recipient submits their completed Semi-Annual Report via the NGP no later than 11:59 PM EST 30 days from the reporting period end date:

- Reporting period January 1 – June 30 is due July 30
- Reporting period July 1 – December 31 is due January 30

## 2. Closeout Reports

### Objective:

To verify submission of performance monitoring and service validation closeout reports as required by the Department of Commerce Grants and Cooperative Agreements Manual. (Department of Commerce, 2021)



Timeframe	Milestone
120 Calendar Days <u>Before</u> PoP End Date	FPO sends reminder email to recipient notifying them that their grant closeout is approaching.
90 Calendar Days <u>Before</u> PoP End Date	<p>FPO meets with recipient to assess their outstanding SACs and financial and programmatic responsibilities.</p> <p>FPO assists recipient with requesting an extension to the period of performance, if needed. If permitted by statute, the recipient may submit a request for an extension of the award period not later than ninety (90) calendar days before the end of the award period.</p>
30 Calendar Days <u>Before</u> PoP End Date	NIST sends a letter to the recipient outlining the specific documents required for the closeout process and any associated deadlines and submission instructions.
90 Calendar Days <u>After</u> PoP End Date	Subrecipient(s) (if applicable) submit to the recipient all financial, performance, and other reports as required by the terms and conditions of the grant award.
120 Calendar Days <u>After</u> PoP End Date	The recipient submits a final Federal Financial Report (i.e., SF-425), final Performance (Technical) Report, Tangible Personal Property Reports (SF-428, SF-428B, SF-428S (if applicable)), and Real Property Status Report (SF-429) (if applicable) within 120 calendar days after the end of the project.

90 Calendar Days <u>After</u> Submission of final SF-425	NIST notifies the Finance/Accounting Officer to deobligate the unobligated balance of funds not disbursed to the recipient. If deobligation occurs, the recipient will receive an award amendment document (i.e., CD-451). <u>4</u>
Within 1 Year <u>After</u> PoP End Date	When a recipient or subrecipient completes all closeout requirements, the Federal awarding agency or pass-through entity must make every effort to complete closeout actions no later than one year after the end of the period of performance ( <u>2 CFR § 200.344(g)</u> ). Upon satisfaction of all terms and conditions of the award, NIST closes out the award in GMIS. As applicable, the FPO uploads any remaining documents and/or resolves any closeout fields in the NTIA Grants Portal (NGP) or SharePoint.

*\*The above timeframes are not inclusive of any requested and approved time extensions.*

### Procedure:

Ensure that all required reports are complete, accurate and have been submitted per the timeline as shown above.

### Document Retention

Retention period	
Three years	Recipients must retain these records for three years from the date the final financial report is submitted. This is in accordance with 2 CFR 200.334.
Federal Interest Period (10 years)	However, for assets (real property or equipment) acquired or improved with BEAD subgrant funding, the federal interest in these assets continues for 10 years after the project has been closed out. This applies to all BEAD-funded networks.

Documents to retain	
Financial records	These include records that document compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, and are sufficient to permit the preparation of reports and tracing of funds to expenditures.
Supporting documents	These include invoices, payroll data, and cost sharing and matching data.
Statistical records	This includes data related to BEAD program performance.
Other records pertinent to the award	This may encompass a wide range of documents, including project plans, contracts, communication with NTIA, and any other documentation relevant to the grant activities.



Build America, Buy America (BABA) compliance documentation	Recipients should obtain certification letters from contractors and vendors to document compliance with BABA requirements.
Reporting Requirements	States must report on how funds were expended, services provided, locations served, and comparative demographics. They also need to collect information from subgrantees, contractors, and subcontractors for reporting purposes.

**Potential Consequences:** Failure to comply with document retention requirements could result in corrective actions, including removing and replacing improperly purchased goods, reducing award amounts, withholding funds, terminating awards, or even criminal investigation and prosecution in cases of fraud.

## 9. Issue Resolution and Escalation Process

GTA is committed to supporting subrecipients in successfully implementing their broadband projects while maintaining compliance with federal and state grant requirements. This section outlines the process for identifying, addressing, and resolving compliance issues, including the steps taken when deficiencies or violations occur.

### 11.1 Non-Compliance Identification and Documentation

Compliance issues may be identified through regular monitoring activities, site visits, desk reviews, payment request reviews, audit findings, or third-party reports. When potential non-compliance is identified, GTA will document the issue clearly and communicate with the subrecipient promptly.

#### Examples of Non-Compliance

- Failure to submit required quarterly progress reports
- Inaccurate or unsupported reimbursement requests
- Construction delays without explanation or approved extension
- Incomplete environmental documentation (e.g., NEPA/NHPA non-compliance)
- Lack of procurement policies or inadequate documentation of competitive bids
- Inability to demonstrate match funding or ineligible use of funds
- Use of equipment or vendors not authorized in the approved application

Each Non-Compliance Identification will be classified as a Concern, Deficiency, or Finding based on its severity and impact.

Term	Definition	Example
Concern	A minor issue or potential risk observed during monitoring that does not violate a requirement but warrants attention.	Reporting inconsistencies or early signs of timeline slippage.

Deficiency	A moderate issue that reflects a failure to comply with policy or procedures but can be corrected without significant impact.	Missing procurement records or incomplete documentation for match.
Finding	A serious non-compliance issue or repeated deficiency that violates federal/state requirements and may impact funding.	Misuse of funds, false reporting, or environmental violations.

GTA will notify subrecipients of the issue classification in writing, including required next steps and timelines.

## 11.2 Corrective Action Plan (CAP) Process and Timelines

If a Deficiency or Finding is identified, the subrecipient may be required to submit a Corrective Action Plan (CAP) to GTA. The CAP both supports GTA and its subrecipients achieve and maintain compliance. Once the Subrecipient receives the compliance review report, they will have 30 days to either dispute the findings or provide a CAP to correct and address any identified deficiencies or findings.

### CAP Requirements

- Description of the issue and root cause
- Specific corrective actions to be taken
- Responsible parties
- Timeline for implementation (typically within 30–60 days)
- Documentation or evidence of resolution

### GTA Review and Follow-Up

- The GTA will review the CAP for applicability.
- Once approved, the GTA will monitor the implementation of the CAP.
- A follow-up review or site visit may be conducted to verify resolution.

Failure to submit or implement an adequate CAP may result in escalation to enforcement actions.

## 11.3 Enforcement Actions and Remedies

If the subrecipient fails to address deficiencies or correct findings within the required timeline, the GTA may take one or more of the following actions, depending on the severity and persistence of the issue:

- **Increased Monitoring:** Additional desk reviews, site visits, or reporting requirements.
- **Suspension of Payments:** Withholding of reimbursements until issues are resolved.
- **Amendment of Award:** Reduction in award amount or project scope.
- **Suspension or Termination of Award:** For serious or uncorrected non-compliance.
- **Referral to State or Federal Authorities:** In cases involving fraud, waste, or abuse.

Subrecipients will be provided written notice of any enforcement action and given the opportunity to respond.

## 11.4 Clawback Provision

Clawbacks are supported by federal statutes such as the Payment Integrity Information Act of 2019<sup>i</sup>, and regulations under 2 CFR Part 200 (Uniform Guidance). GTA reserves the right to recover funds (clawback) in the following situations, but not limited to:

- Subrecipient used grant funds for ineligible costs
- Project was not completed in accordance with the approved scope or requirements
- Funds were expended without required documentation or prior approval
- Subrecipient fails to meet long-term obligations (e.g., service requirements)

**Clawback Process:**

- GTA will issues a written demand for repayment, including the amount owed and basis for the recovery. The written demand will be sent via US Mail to the subrecipients Principal address as well as sent via email to the Principal Responsible Entity of the subrecipient.
  - The Subrecipient will be given 30 days to repay or enter into a repayment agreement with GTA.
  - Failure to repay may result in legal action or withholding of future state or federal funds
-