

## **Nebraska Broadband Office**

### **DRAFT -- Monitoring Plan – DRAFT**

#### **1. Executive Summary**

The Nebraska Broadband Office (NBO)'s 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 a minimum defined by:

- 47 U.S.C. § 1702 (Infrastructure Investment and Jobs Act – BEAD enabling statute)
- 2 C.F.R. Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)
- The BEAD Notice of Funding Opportunity (NOFO)
- The BEAD Program Restructuring Policy Notice
- The General Terms and Conditions for the BEAD Program
- The Department of Commerce Standard Terms and Conditions
- The State of Nebraska's subgrant agreement: [NBEAD Subgrant](#)
- The Nebraska State Procurement Act (Neb. Rev. Stat. §§ 73-501 to 73-510):

<http://nebraskalegislature.gov/laws/browse-statutes.php>

Monitoring and compliance reviews aim to reduce waste, fraud, and abuse, ensure appropriate fund usage, and promote transparency for stakeholders like the NTIA, the U.S. Department of Commerce, the Nebraska State Legislature, and the public. Future guidance will also be included in this plan.

#### **2. Risk Assessment**

NBO completed risk assessments during the review process. These assessments established a risk level based on an organization's financial stability, operational readiness, and compliance history. Risk assessments began pre-award and will continue throughout the project's duration. Risk assessments will be utilized to determine the level of monitoring and reporting required for each project. Organizations will be reassessed annually which may change the level of reporting required for the following year.

#### **3. Financial Management**

Subgrantees must implement financial management systems that comply with federal and state regulations, ensuring proper stewardship of federal funds. Internal controls should be established to prevent waste and fraud, with duties segregated for accountability. Expenditure should match the approved budget, any deviations need prior approval from NBO. Cash management should minimize the time between receiving and disbursing funds.

#### **4. Subgrantee Purchasing, Accounting, and Reimbursement Process**

Adherence to the Nebraska State Procurement Act (Neb. Rev. Stat. §§ 73-501 to 73-510) is required for NBEAD subgrantees. Exemptions like sole source or emergency procurement must be justified with written documentation and public notice. For lower-value contracts, minor purchase procedures can be used, but competition should still be pursued when practicable, following internal procedures.

Procurement must not favor specific vendors, and prices should be fair and competitive.

Documentation should include procurement methods, contractor selection rationale, contract pricing basis, and cost reasonableness evidence. Reimbursements are limited to eligible costs outlined in the subgrantee agreement, directly supporting approved broadband activities and falling within defined funding categories. NBEAD funding can only be used for activities in the approved application and budget.

*NBEAD funding may be used for the following costs:*

- -Construction and acquisition of facilities and telecom equipment for qualified broadband service, including backhaul, middle, and last-mile networks, up to the demarcation point.
- Long-term leases (over one year) for facilities supporting qualifying broadband service, including IRU agreements.
- Deployment of internet and Wi-Fi infrastructure in eligible multi-family residential buildings.
- Engineering design and permitting related to compliance with environmental, historical, or cultural regulations.
- Personnel costs for staff and consultants involved in the NBEAD Program implementation, including project managers and subject matter experts.
- Cybersecurity software upgrades and training for professionals on NBEAD-funded networks.
- In projects targeting unserved areas, include Middle Mile infrastructure necessary to reach interconnection points for technical feasibility and financial sustainability.
- For LEO-based projects, all consumer premises equipment (CPE) must be provided at no cost for new subscribers, with CPE costs eligible for NBEAD funding.

*Ineligible costs include, but are not limited to:*

- No advanced payments or pre-award costs are allowed under NBEAD funding.
- Subgrantees (and their contractors) cannot use NBEAD Program grant funds to purchase or support covered communications equipment or services, as defined in the Secure and Trusted Communications Networks Act of 2019.
- Profits, fees, or extra charges above actual costs incurred by the Subgrantee are not allowed. However, user or subscriber fees can include a profit margin for broadband services.
- 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 that are 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.

## **5. Reporting Requirements**

Subrecipients must submit periodic reports detailing programmatic progress and financial performance to ensure compliance with federal and state requirements. All submissions must be timely and complete per the subgrantee agreement.

### ***One-Time Reports***

Subgrantees shall report on specific requirements only once during the project period. These items include, but are not limited to subcontractor agreements, Buy America, Build America Act verification, and Tribal consent.

### ***Quarterly Progress Reports***

Subgrantees shall submit a Progress Report every quarter throughout the life of the project as defined by the Subgrant Agreement. These reports must include, at a minimum:

- Updates on project activities, including the status of make-ready work, permitting, and construction milestones

- Documentation of any material changes to the project scope, schedule, or make-ready costs from the original application
- Identification of any issues that may impact the timely completion of the project
- Reimbursement requests, including purchase orders, invoices, receipts, and proof of payment

#### ***Semiannual Status Reports***

Subgrantees are required to submit semiannual progress reports each year, on dates specified in the subgrantee agreement. These reports are intended to:

- Provide a comprehensive overview of project implementation, including both technical and financial progress
- Satisfy federal oversight requirements, including those imposed by the National Telecommunications and Information Administration (NTIA)
- Include all data elements required by NTIA or other federal entities, as applicable

#### ***Final Closeout Report***

Subgrantees must submit a Final Closeout Report within thirty days of the project's completion date. This report must confirm:

- Fulfillment of all contractual and programmatic obligations
- Completion of all deliverables following the approved project plan
- Submission of final expenditures, obligations, and relevant performance metrics

#### ***Post Closeout Reports***

To support ongoing performance monitoring and service validation, subrecipients are required to submit Post-Conditional Closeout Reports at both six (6) and twelve (12) months following project closeout. These reports must include:

- The number of subscribers served by the project

Speed test data to verify compliance with required service performance benchmarks

#### **6. Site Visit**

NBO will conduct site visits to monitor NBEAD-funded projects based on the subgrantee's milestones. The frequency of these visits may change according to risk assessments and previous monitoring results. NBO can conduct onsite monitoring with 48 hours' notice and may randomly request speed validation tests for locations mentioned in quarterly reports.

#### **7. Audit Requirements**

Subgrantees of NBEAD funding must adhere to the audit and monitoring requirements set by the Nebraska Department of Transportation (NDOT) and comply with federal audit standards in 2 CFR 200.501. They are required to participate in both pre-award and post-award audits as needed. Financial reporting obligations depend on total annual expenditures, regardless of the funding source:

- Less than \$350,000: Financial Statement (preparation by a CPA is not required)
- \$350,001 to \$550,000: Reviewed Financial Statement (prepared by an independent CPA)
- More than \$550,000: Audited Financial Statement (prepared by an independent CPA)
- More than \$1,000,000 in federal expenditures: Single Audit in accordance with 2 CFR 200 Subpart F (prepared by an independent CPA)

For subrecipients with federal expenditures over \$1,000,000, both the Financial Statement Audit and Single Audit are required and must be submitted.

#### **8. Specific Award Condition (SAC) Requirements**

The Nebraska Broadband Office will comply with NTIA requirements, including subgrantees.