

BEAD FINANCE GUIDE



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The Reimbursement Process

Welcome to the BEAD program! Getting your project funded and moving forward is our top priority. To make the reimbursement process as transparent and straightforward as possible, the Utah Broadband Center (UBC) administers these grants as Fixed-Amount Subawards.

In this guide, you will find information about the reimbursement process, providing matching contributions, and project milestones.

What is a Fixed-Amount Subaward?

Unlike traditional grants where you submit every individual receipt for reimbursement, a fixed-amount subaward means your payments are tied directly to project milestones.

If you successfully complete a milestone's objectives, you will receive the full, predetermined award amount for that specific phase. However, to unlock these funds, a matching contribution is also strictly required. Both the payment you receive and the match you must provide are set percentages of your total award, and these percentages will vary depending on the specific milestone you are completing.

The 4-Step Payment Process

Getting paid is a predictable, four-step cycle that repeats for each milestone in your project plan:

- 1. Complete the Milestone and Submit Deliverables.** First, you must successfully complete all the physical, operational, or administrative objectives required for your current milestone. Once the work is done, you will submit all required deliverables (such as design plans, network diagrams, or construction photos) directly to the Utah Broadband Center.
- 2. Verify Your Matching Contribution.** Along with your milestone deliverables, you must submit documentation verifying your matching contribution. You will need to show exactly how much you have contributed to the project during this phase. Remember, the amount of match required at each stage is a specific percentage of your total match requirement, and it aligns with the milestone you are submitting for.
- 3. UBC Reviews and Verifies.** Once you submit your packet, the Utah Broadband Center team will step in to review your deliverables and your match verification. They will ensure everything meets the program's standards and that all milestone objectives have been fully satisfied.
- 4. Receive Your Subaward Payout.** Once the UBC has verified your deliverables and your matching contribution, your milestone is officially approved! The predetermined fixed-amount payment for that milestone will then be processed and paid out to you. Because this is a fixed-amount system, your success guarantees your funding.

Milestone Schedules

Fiber Projects

Note: The list below is intended as a quick reference and does not include the details of all required deliverables. It is subject to change.

Milestone	Required Deliverables	% of Match Required	% of Award Disbursed
MILESTONE 1 Initial disbursement upon award	<ul style="list-style-type: none"> • Signed subgrantee agreement • Preliminary Engineering plans • Cybersecurity and SCRM plans • Audit from the previous fiscal year • Project budget and timeline • Letter of Credit with bankruptcy opinion or Performance Bond 	10%	10%
MILESTONE 2 NEPA, historical compliance, permits	<ul style="list-style-type: none"> • NTIA ESAPTT completion and validation • List of Permits • Environmental Clearances (NEPA/NHPA) • Certification by PE 	10%	10%
MILESTONE 3 25% Support infrastructure completed	<ul style="list-style-type: none"> • GIS-stamped and dated photographic evidence of 25% of the support infrastructure and/or on-site inspection of 25% of the support infrastructure built 	5%	5%
MILESTONE 4 50% Support infrastructure completed	<ul style="list-style-type: none"> • GIS-stamped and dated photographic evidence of 50% of the support infrastructure and/or on-site inspection of 50% of the support infrastructure built 	5%	5%
MILESTONE 5 75% Support infrastructure completed	<ul style="list-style-type: none"> • GIS-stamped and dated photographic evidence of 75% of the support infrastructure and/or on-site inspection of 75% of the support infrastructure built 	5%	5%

<p>MILESTONE 6 100% Support infrastructure completed</p>	<ul style="list-style-type: none"> • GIS-stamped and dated photographic evidence of 100% of the support infrastructure and/or on-site inspection of 100% of the support infrastructure built 	15%	15%
<p>MILESTONE 7 25% network infrastructure built</p>	<ul style="list-style-type: none"> • Network diagrams • Deployment evidence of 25% network infrastructure built • Activation evidence 	5%	5%
<p>MILESTONE 8 50% network infrastructure built</p>	<ul style="list-style-type: none"> • Network diagrams • Deployment evidence of 50% network infrastructure built • Activation evidence 	5%	5%
<p>MILESTONE 9 75% network infrastructure built</p>	<ul style="list-style-type: none"> • Network diagrams • Deployment evidence of 75% network infrastructure built • Activation evidence 	5%	5%
<p>MILESTONE 10 100% network infrastructure built</p>	<ul style="list-style-type: none"> • As-is plant maps • Network diagrams showing 100% of network infrastructure built • Evidence of fiber deployment • Evidence of splicing activity • BABA compliance certification • Speed test evidence 	20%	20%
<p>MILESTONE 11 Project closeout completed</p>	<ul style="list-style-type: none"> • Final project report • Speed test verification • Certification of 100% of BSLs passed • Proof of service activation • Site visit 	15%	15%

Milestone Schedules

Wireless Projects

Note: The list below is intended as a quick reference and does not include the details of all required deliverables. It is subject to change.

Milestone	Required Deliverables	% of Match Required	% of Award Disbursed
MILESTONE 1 Initial disbursement upon award	<ul style="list-style-type: none"> Signed subgrantee agreement Preliminary Engineering plans. Cybersecurity and SCRM plans Audit from the previous fiscal year Project budget and timeline Letter of Credit with bankruptcy opinion or Performance Bond 	10%	10%
MILESTONE 2 NEPA, historical compliance, permits	<ul style="list-style-type: none"> List of permits Evidence of received permits Environmental clearances (NEPA/NHPA) Engineering plans certified by PE 	10%	10%
MILESTONE 3 25% support infrastructure completed	<ul style="list-style-type: none"> GIS-stamped and dated photographic evidence of 25% of the support infrastructure and/or on-site inspection of 25% of the support infrastructure built 	5%	5%
MILESTONE 4 50% support infrastructure completed	<ul style="list-style-type: none"> GIS-stamped and dated photographic evidence of 50% of the support infrastructure and/or on-site inspection of 50% of the support infrastructure built 	5%	5%
MILESTONE 5 75% support infrastructure completed	<ul style="list-style-type: none"> GIS-stamped and dated photographic evidence of 75% of the support infrastructure and/or on-site inspection of 75% of the support infrastructure built 	5%	5%

<p>MILESTONE 6 100% support infrastructure completed</p>	<ul style="list-style-type: none"> • GIS-stamped and dated photographic evidence of 100% of the support infrastructure and/or on-site inspection of 100% of the support infrastructure built 	15%	15%
<p>MILESTONE 7 25% network infrastructure built</p>	<ul style="list-style-type: none"> • GIS-stamped and dated photographic evidence for 25% of network infrastructure installed 	5%	5%
<p>MILESTONE 8 50% network infrastructure built</p>	<ul style="list-style-type: none"> • GIS-stamped and dated photographic evidence for 50% of network infrastructure installed 	5%	5%
<p>MILESTONE 9 75% network infrastructure built</p>	<ul style="list-style-type: none"> • GIS-stamped and dated photographic evidence for 75% of network infrastructure installed 	5%	5%
<p>MILESTONE 10 100% network infrastructure built</p>	<ul style="list-style-type: none"> • GIS-stamped and dated photographic evidence of 100% of network infrastructure installed • Power activation • Sector coverage mapping • Backhaul route mapping 	20%	20%
<p>MILESTONE 11 Project closeout completed</p>	<ul style="list-style-type: none"> • Final project report • Speed test verification • Capacity certification • Certification of 100% of BSLs passed • Location service verification • Site visit 	15%	15%

Milestone Schedules

LEO Projects

Note: The list below is intended as a quick reference and does not include the details of all required deliverables. It is subject to change.

Milestone	Required Deliverables	% of Match Required	% of Award Disbursed
MILESTONE 1 Certification of service availability	<ul style="list-style-type: none"> Signed affidavit including statement of service availability to any BSL in the project area within 10 business days Preliminary engineering plans Cybersecurity and SCRM plans Letter of Credit with bankruptcy opinion or Performance Bond 	30%	30%
MILESTONE 2a* New subscribers	<ul style="list-style-type: none"> Provider awarded \$1,263.15 per new subscriber - up to 40% of BSLs - upon verification of enrollment and service connection. If less than 40% of BSLs are served after four years, the balance of \$3,665,156.04 is paid. 	--	63%
MILESTONE 2b* Quarterly award payments	<ul style="list-style-type: none"> Quarterly award payments of \$10,180.99 	70% (1.75% per quarter)	7% (.175% per quarter)

**Occur simultaneously*



Demonstrating Proof of Match Before Signing Contracts

Before signing contracts, subrecipients must demonstrate their plans and availability to provide their matching contribution. This can take a variety of forms but whatever the method, they must be **signed documents proving that the requisite amount of match will be available.**

Here are some examples:

Internal funds

- If cash is currently on hand: Bank statements showing the money is available and a signed resolution restricting these funds specifically for the BEAD project.
- If the cash is coming from a partner/third party: A fully executed, signed cost-sharing or joint-build agreement guaranteeing the payment regardless of construction or other delays.

Loans

- A fully executed, signed loan agreement or a firm, legally binding letter of commitment stating that the underwriting is completely finished, the funds are unconditionally approved, and the money is guaranteed.

Municipal bonds

- A signed, legally binding resolution from the municipal government explicitly dedicating those specific bond proceeds to the BEAD subrecipient for this exact project.
- If the bond has not passed, it cannot be counted as a guaranteed match. The municipality must provide a bridge loan or Letter of Credit (LOC) to cover the amount in the interim.

Payroll

- A letter signed by an authorized executive (such as a CEO or CFO) certifying that the organization will dedicate a specific monetary value of its internal workforce's time as a cash or in-kind matching contribution for the BEAD project.
- Financial projections that factor in the fully loaded costs of the employees (base salary plus fringe benefits like healthcare and retirement) to show exactly how those costs will satisfy the required match percentage over the project's lifecycle.

Existing Equipment

- Documentation justifying exactly how the equipment is being valued.
- A signed certification stating that the equipment is necessary and reasonable for the performance of the BEAD award, and that it has not been previously used as a match for another federal grant.
- Because the Build America, Buy America (BABA) preference applies to an entire infrastructure project—including non-federal funds used as an in-kind match—subrecipients must demonstrate that the existing equipment complies with these federal regulations or falls under an approved waiver.

Principles for All Matching Contributions



Necessary: Do we need to pay for this to complete the project?



Reasonable: Would a prudent person pay this amount?



Allocable: Can this cost be directly assigned to this specific grant based on the benefit received?



Verifiable: Is there documented evidence (receipts, invoices, or timecards) to support this transaction in the accounting records?



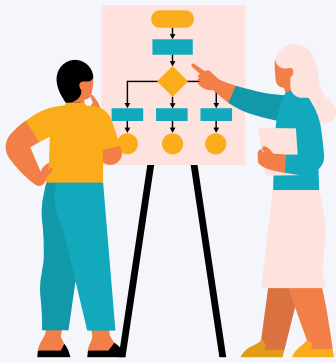
Exclusive: Are other federal funds paying for any of this?



Cash Match

For BEAD subrecipients, a cash match represents the actual out-of-pocket funds spent directly on eligible broadband deployment costs. Unlike in-kind matches involving donated goods or services, cash matches require tangible financial transactions that remain strictly allocated to your approved project. When compiling your proof of contribution, your documentation must be **clearly verifiable from your financial records** using standard accounting artifacts like bank statements, paid invoices, and disbursement receipts.

Example	Acceptable Proof
Internal Labor & Personnel	Certified time and effort reports, payroll registers, employee pay stubs, W-2 forms, general ledger payroll entries, bank statements showing payroll disbursement, signed timesheets
External Services & Consulting	Executed vendor contracts, detailed vendor invoices, canceled checks, bank statements showing wire or EFT transfers, credit card statements, general ledger expense entries, 1099 forms
Physical Goods & Equipment	Itemized purchase receipts, purchase orders, paid vendor invoices, canceled checks, bank statements, credit card statements, general ledger entries, delivery packing slips paired with proof of payment
Technology & Software	Paid software subscription invoices, software license agreements paired with payment receipts, canceled checks, bank statements, credit card statements, wire transfer confirmations
Project Compliance & Site Assessment	Government-issued permit fee receipts, paid surveyor or engineering invoices, canceled checks, bank statements, credit card statements, general ledger entries



Using Internal Funds as Cash Match

The Core Idea: If you use your organization's existing liquid assets—such as retained earnings, cash reserves, or general operating budgets—to pay directly for approved project costs, those dollars count as a cash match.

Why is it considered "cash"? Because you are drawing upon actual, liquid money from your own corporate bank accounts and injecting it directly into the infrastructure buildout, rather than relying on outside loans, third-party donations, or federal subsidies.

How It Works in Practice

Imagine your ISP needs to purchase hardware for the new broadband network. You buy \$200,000 worth of fiber-optic cable from a vendor and pay for it using money drawn directly from your company's corporate checking account. That entire \$200,000 counts toward your BEAD cash match requirement, provided the cable is BABA compliant and an otherwise eligible project expense and is installed strictly within the approved project area.

The "Catch": You Have to Prove It

The federal government requires strict proof that your internal funds were actually spent on the project and not just pledged on paper. Under federal accounting rules, you cannot simply point to a healthy corporate bank account as proof of a match; you must demonstrate exactly where those specific dollars went. To use internal funds as a cash match, you need:

1. **Dedicated Tracking:** You must track the specific withdrawal in your accounting software and trace it directly to the grant's specific project code in your general ledger, keeping it completely separate from your day-to-day operational expenses.
2. **Verifiable Invoices:** You must retain the actual vendor invoices or purchase orders clearly showing what was bought, ensuring the items are allowable costs under the BEAD program.
3. **Proof of Payment:** You must retain the paper trail—such as cleared bank statements, canceled checks, or wire transfer receipts—proving that your internal cash actually left your account to pay those specific project invoices.

Using Payroll as Cash Match



The Core Idea: If you pay your own employees out of your own company's non-federal bank account to work on the BEAD project, those wages count as a cash match.

Why is it considered "cash"? Because actual, liquid money is leaving your organization's bank account to pay for their labor. (Conversely, if a different company donates their staff's time to your project for free, no cash leaves your account. That is an "in-kind" match, which has different rules).

How It Works in Practice

Imagine you have an engineer on staff who makes \$100,000 a year and they spend exactly half (50%) of their working hours on the BEAD program. You can count \$50,000 of their salary toward your BEAD cash match requirement. You can also include 50% of their allowable fringe benefits, such as health insurance premiums and payroll taxes.

The "Catch": You Have to Prove It

The federal government requires strict proof that the employee actually did the work. Under federal rules (specifically 2 CFR 200.430), you cannot just guess or use a rough estimate at the end of the year. You must maintain what is called Time and Effort (T&E) documentation.

To use payroll as a cash match, you need:

1. BEAD-specific coding: The accounting system must have a code specifically used for BEAD-related work.
2. Project-specific timesheets: Employees cannot just punch in and punch out. They must specifically log the exact hours they spent working on the BEAD project versus their normal day-to-day duties.
3. Official sign-offs: The time logs must be verified and signed by the employee or a direct supervisor who has firsthand knowledge of the work performed.
4. Paper trail: The hours tracked on those timesheets must reconcile directly with your official payroll system and bank statements showing that the employee was actually paid those dollars.

In-kind Match

*An in-kind match represents the established financial value of third-party, non-cash contributions—such as donated equipment, property, or professional services. Unlike cash matches that involve actual out-of-pocket financial transactions, in-kind matches do not involve liquid cash leaving your accounts; instead, they require determining the fair market value of the contributed resources strictly allocated to your approved project. When compiling your proof of contribution, your documentation must clearly verify **how these goods or services were reasonably and accurately valued**, using artifacts like independent appraisals, published rate schedules, or signed time logs from donating organizations.*

Example	Acceptable Proof
Volunteer Time (Professional/ Skilled)	<ul style="list-style-type: none">• Signed time sheets/logs from the volunteer, detailing: name, date, hours worked, description of duties (must relate to the project)• Documentation of the hourly rate (e.g., market research, non-profit volunteer rates, or the contributor's normal rate of pay)
Donated Equipment/ Supplies	<ul style="list-style-type: none">• Letter of donation on the donor's letterhead, including: description of item, date of donation, and statement of fair market value• Commercial invoice, price quote, or appraisals to support the stated value
Donated Space/ Facilities	<ul style="list-style-type: none">• Lease agreement or appraisal of the space.• Calculation worksheet to justify the proportional value claimed as match (e.g., square footage used for the project x fair market rental rate for the period)
Donated Services	<ul style="list-style-type: none">• Memorandum of Understanding (MOU) or letter of commitment from the third-party entity (e.g., a university or another non-profit) stating the nature and value of the service to be provided



Using Existing Equipment as In-kind Match

The Core Idea: If you utilize equipment for your BEAD project that your organization already owns, the current fair market value of those assets can count as an in-kind match.

Why is it considered "in-kind"? Because no actual, liquid cash is changing hands or leaving your bank account during the grant period for these items. Instead, you are contributing the established financial value of tangible, physical assets directly to the infrastructure buildout.

How It Works in Practice

Imagine your ISP is upgrading network infrastructure to serve BEAD locations. You decide to utilize \$50,000 worth of telecommunications hardware you already have, deploying it strictly for this new BEAD build. The current fair market value of that equipment (the \$50,000) counts toward your BEAD in-kind match requirement, provided the equipment is an allowable cost and strictly serves the approved project area.

The "Catch": You Have to Prove (and Verify) It

The federal government requires strict proof that the equipment's value is accurately assessed and that the materials themselves meet strict federal sourcing laws. Under federal rules, you cannot simply guess what the equipment is worth, nor can you use unverified, foreign-sourced materials that violate BEAD program rules.

To use existing equipment as match, you need:

- 1. BABA Compliance Attestation:** This is critical. Because this equipment is being used to service BEAD locations and is acting as your match, it is subject to the Build America, Buy America Act. You must provide a legally binding, signed attestation confirming that all existing equipment utilized as a match strictly complies with BABA domestic manufacturing requirements (or falls under an officially approved NTIA BABA waiver).
- 2. Fair Market Valuation:** You must properly determine and document the current fair market value of the equipment at the time it is committed to the project. You cannot use the original purchase price; you must rely on verifiable methods like independent appraisals, published market rates, or standard depreciation schedules.
- 3. Verifiable Asset Tracking:** You must retain detailed inventory records, original purchase invoices, and deployment logs proving that the specific equipment was transferred directly into the BEAD project area and is not being double-counted toward.

Resources

- [Utah Broadband Center](#)
- [BEAD NOFO](#)
- [BEAD Restructured Policy Notice \(RPN\)](#)
- [BEAD Letter Of Credit waiver](#)
- [BEAD FAQ v.20](#)
- [BEAD Match Primer](#)
- [National Telecommunications and Information Administration](#)
- [Code of Federal Regulations \(Uniform Guidance\)](#)

