Utah Broadband Center (UBC)

What You Need to Know About BIG BEAD Fixed Amount Subawards

What is a fixed amount subaward?

A fixed amount subaward (FASA) is a subgrant in which payment is tied to meeting specific requirements of the award through performance milestones, completed units, or a finished project. Traditionally, FASAs have been used for awards of up to a Simplified Acquisition Threshold of $250,000 and programs that do not require a match. Using a FASA streamlines the administrative requirements associated with an award, leading to faster outcomes.

The National Telecommunications and Information Administration (NTIA) permits Eligible Entities (i.e., states) to make FASAs for Broadband Equity, Access, and Deployment (BEAD) subawards where the major purpose of the project is broadband infrastructure deployment. NTIA guidance also clarifies that a state may issue a BEAD FASA without seeking further approval from the agency, regardless of whether the value of the subaward exceeds the $250,000 Simplified Acquisition Threshold and the BEAD statutory match requirement.

Because disbursements can be made based on results rather than actual cost, several Uniform Guidance requirements apply differently to FASAs:

- **Cost principles:** 2 CFR Part 200 generally imposes rules to help determine which incurred costs are allowable. Subgrantees with FASAs are not required to comply with Uniform Guidance cost principles. All FASAs must be based on a <u>reasonable</u> estimate of actual cost. UBC may still choose to use those cost principles, or other pricing information, as a guide when reviewing the budget for FASAs.
- **Procurement:** 2 CFR Part 200 generally imposes procurement rules on subgrantees that use Federal assistance funds to obtain property or services to guard against waste, fraud, and abuse. Subgrantees with FASAs are generally not required to follow the Uniform Guidance's procurement standards. Subgrantees must use their own documented procurement procedures which reflect applicable State, local, and Tribal laws and applicable regulations. Note, however, that NTIA's Policy Notice retained a few Uniform Guidance procurement-related provisions, including 200.317 (Procurements by States and Indian Tribes); 200.321 (Contracting with small businesses, minority business, women's enterprises, veteran-owned business, and labor surplus area firms); 200.323 (Procurement of recovered materials); and 200.327 (Contract provisions). Additionally, subgrantees must comply with any applicable procurement requirements outside of the Uniform Guidance, including BEAD's Build America, Buy America (BABA) requirements.
- **Property standards:** 2 CFR Part 200 provides standards and procedures for ownership, title, use, management, and disposition of property acquired or improved under a Federal Award. Subgrantees with FASAs receive more flexible property standard options. For example, property acquired or improved using BEAD funding vests in the subgrantee upon acquisition.

Eligible Entities may require subgrantees to submit evidence of actual costs (e.g., receipts, invoices, paystubs, et. Al.) under the FASA framework so long as the total funding amount that a subgrantee requests does not exceed the total award amount in the subaward agreement.

Milestone Payments with Receipts

UBC shall use a fixed amount subaward model built around milestone payments with receipt review for BIG BEAD Grants, and has defined milestones for fiber, fixed wireless, and low-Earth orbit (LEO) satellite projects.

Upon meeting a milestone, a subgrantee may submit a payment request for an amount up to a defined percentage of its total award. For example, under UBC's draft fiber and fixed wireless milestone schedules, Milestone 1 allows the subgrantee to request up to 10 percent of the total award, provided the required deliverables (i.e., a signed subaward agreement) have been submitted.

When a subgrantee reaches a milestone, it must submit two categories of documentation before UBC will disburse funds:

1. **Evidence that the milestone was met:** For fiber and fixed wireless projects, this may include items such as GIS-stamped and dated photographic evidence of construction progress, current network diagrams, permit and environmental clearance documentation, and Professional Engineer certifications. For LEO satellite projects, this could include signed affidavits of service availability and speed and latency test data for newly served locations.
2. **Evidence of actual cost:** Receipts, invoices, or other documentation substantiating the amount the subgrantee is requesting, including match amounts, up to the milestone's defined cap.

Fixed Amount Subawards and Match

FASAs do not eliminate the BEAD statutory match requirement. A subgrantee's match amount must be at least 25 percent of total project cost for a deployment project, regardless of whether a subaward is a FASA.

UBC's FASAs combine milestone payments with receipt review and proportional match. Match funds are expected to be expended at the same general rate as the Grant Funds. Under this structure, if a subgrantee's final project cost comes in below the amount budgeted in the subaward agreement, the subgrantee's required match is recalculated proportionally to reflect that lower, final project cost. The subgrantee must submit a budget modification to UBC to formalize the adjustment.

For additional information about UBC's implementation of FASAs under the BEAD program, please reach out to UBC staff at Connectingutah@utah.gov.

Sources: 2 CFR 200.333 Fixed amount subawards; 2 CFR 200.201 Use of grants, cooperative agreements, fixed amount awards, and contracts; NTIA Uniform Guidance Policy Notice (BEAD Policy Notice on Uniform Guidance Part 200 Exceptions and Related Issues); Uniform Guidance Policy Notice Primer (October 2024); Fixed Amount Subaward (FASA) Overview (June 2026); Fixed Amount Subaward (FASA) Match (June 2026); UBC Subgrantee Milestones (Draft, June 19).