

A black and white photograph of construction workers on a rebar grid. One worker in the foreground is wearing a white hard hat and a high-visibility vest, looking towards the right. Another worker is visible in the background, also wearing a hard hat and gloves, working on the rebar. A bucket is hanging from the rebar structure.

Connected Community Facilities Grant Application Guide

TABLE OF CONTENTS

Section

01	Program Description	4
	1.1. Overview of the Grant Program	4
	1.2. Useful Term	4
	1.3. Federal Award Information	5
	1.3.1. Funding Availability	5
	1.3.2. Award Amount	5
	1.3.3. Period of Performance	5
02	Eligibility Requirements	6
	2.1. Eligible Applicants	6
	2.2. Eligible Communities	6
	2.3. Eligible Target Populations	7
	2.4. Applicant Qualifications	7
	2.4.1. Financial Capability	8
	2.4.2. Digital Adoption and Outreach Priorities	8
	2.5. Funds Matching and State Coordination	8
	2.5.1. Additional Match	9
	2.6. Community Anchor Institutions (CAIs)	9
	2.7. Use of Project Funds	9
	2.7.1. Eligible Uses	9
	2.7.2. Ineligible Uses	11
	2.8. Compliance	11
	2.8.1. Fair Labor Practices	11
	2.8.2. Civil Rights and Nondiscrimination Law	12
	2.8.3. Domestic Preference	13
03	Application Information	14
	3.1. Pre-Application Steps	14
	3.1.1. System Award Management (SAM) Registration	14
	3.2. Key Dates	14
	3.3. Content and Form of Applications	14
	3.3.1. Provider Information	14
	3.3.2. Project Information	14

TABLE OF CONTENTS

Section

	3.3.3. Community Impact	15
	3.3.4. Budget Worksheet	15
	3.3.5. Budget Narrative	15
	3.3.6. Additional Uploads	19
04	Application Review Process.....	20
	4.1. Completeness Review	20
	4.2. Scoring Review	20
	4.3. Anticipated Announcement and Award Dates	22
05	TNECD Award Administration	23
	5.1. TNECD Award Notices	23
	5.2. National Policy Requirements	23
	5.2.1. Uniform Guidance and Cost Principles	23
	5.2.2. Environmental and National Historical Preservation Requirements	24
	5.2.3. Property Trust Relationship and Public Notice Filings for Grant-Acquired Property	25
	5.2.4. Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms	25
	5.3. Reporting	26
	5.3.1. Required Programmatic Data	26
	5.4. Audit Requirements	26
	5.5. Monitoring	26
	5.6. Invoicing	27
	5.7. Technical Assistance	29
06	TNECD Contacts	30
07	Appendix	31
	7.1. Application Checklist	31
	7.2. Budget Narrative Template	33

Connected Community Facilities Grant Application Guide

01 | Program Description

1.1. Overview of the Grant Program

The Connected Community Facilities (CCF) Grant Program aims to construct and improve digital access through the creation of buildings or rehabbing spaces. The goal of this program, which is funded by the Capital Project Fund (CPF) and the American Rescue Plan (ARPA) State Local Fiscal Recovery Funds (SLFRF), is to allow for digital workforce development, virtual health monitoring, and virtual education within one space. It will allow rural and urban communities to build new community facilities or rehabilitate existing ones to provide these services and broadband access within one building.

1.2. Useful Term

- **Community Anchor Institution (CAI):** An entity, such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, and eligible faith-based institutions. Community support organizations that facilitate greater use of broadband service by vulnerable populations, including (but not limited to) low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals, are also considered CAIs for CCF.

Grantees should partner with a CAI, unless the applicant itself is a CAI, to demonstrate their understanding of the needs of the communities in which they are building their projects and in helping to design and deliver digital adoption services.

1.3. Federal Award Information

1.3.1. Funding Availability

TNECD will make up to \$30 million available for federal assistance under the Connected Community Facilities Grant Program.

1.3.2. Award Amount

The maximum grant request allowable for the Connected Community Facilities Grant Program is \$2 million.

1.3.3. Period of Performance

All contracts with grantees must be in effect by June 30, 2024. Funds must be expended within two years of contract signing.

02 | Eligibility Requirements

2.1. Eligible Applicants

The following types of entities may apply for the grant:

- Units of local governments in the State of Tennessee, such as counties and municipalities, including government entities such as public libraries
- Organizations, such as community anchor institutions (defined in Section 1.2), applying in partnership with the local government

2.2. Eligible Communities

An eligible community is the general community that the project is allowed to serve.

Automatically Eligible Communities: Per CPF and SLFRF guidelines, eligible communities are counties with a Median Family Income at or below 300% of the Federal Poverty Guidelines for a default household size of 3 (\$65,880)

- **Priority Eligible Communities:** Following Governor Bill Lee's [Executive Order 1](#), applicants from an "at-risk" or "distressed" county, as designated by the Appalachian Regional Commission, will receive 5 additional points in their scoring. In fiscal year 2024, Tennessee's "at-risk" and "distressed" counties were:
 - **At-Risk (27):** Benton, Campbell, Carroll, Carter, Claiborne, Decatur, Fentress, Greene, Grundy, Hawkins, Haywood, Houston, Jackson, Johnson, Lauderdale, Lewis, Macon, McNairy, Meigs, Morgan, Pickett, Rhea, Sequatchie, Unicoi, Van Buren, Warren, Wayne
 - **Distressed (8):** Bledsoe, Clay, Cocke, Hancock, Hardeman, Perry, Scott, Lake

Note: Counties with AMIs above \$65,880 are still eligible to apply if they show that they are serving a target population (defined in the next section).

A list of counties considered "automatically eligible communities" and counties that will be required to additionally state and verify the target populations they are serving will be posted on TNECD's website.

2.3. Eligible Target Populations

Per ARPA CPF and SLFRF specifications, the population(s) served directly by the grantee in a county with an AMI above \$65,880 must fall into **one** of the following 4 categories:

- Households at or below 300% of the Federal Poverty Guidelines for a default household size of 3 (\$65,880)
- Households that experienced unemployment or increased food or housing insecurity
- Households that qualify for the Children’s Health Insurance Program, Childcare Subsidies through the Child Care Development Fund (CCDF) Program, or Medicaid
- Providing Services in a Qualified Census Tracts: Census Tracts, blocks, or zip codes that meet the designation of “impacted”/“disproportionately impacted” designation or are considered Qualified Census Tracts

If these categories do not apply to the project, the applicant will be responsible for verifying that the individual end users of the proposed project satisfy the state and federal guidance through eligibility verification.

For more information, please reference the [ARPA SLFRF Final Rule](#) (pages 12, 17 to 20), the [2023 Interim Final Rule](#) (pages 42 to 43), and [Revised CPF State Guidance June 2023](#) ([treasury.gov](https://www.treasury.gov)).

2.4. Applicant Qualifications

Applicants should demonstrate a need for funding assistance to serve the project area, quality partnerships, and support from community organization.

Applicants will be assessed on their financial capabilities to complete the project on time and within budget.

Additionally, applicants will be assessed on the facility’s ability to enable digital workforce development, digital education, and digital healthcare monitoring while making broadband service available in addition to its expected impact to the community served.

2.4.1. Financial Capability

Applicants must provide proof of the project's financing documentation, including their ability to fund the match as well as the grant funds (prior to reimbursement). Two of the following documents must be provided and show that the project can cover the match requirement and any additional funding needed for expenses prior to reimbursement:

- Audited financials
- Bank statement
- Letter of credit
- Proof of funds

2.4.2. Digital Adoption and Outreach Priorities

Applications must outline efforts to promote digital adoption, and they will be required to describe those efforts in a series of application questions. Applicants must explain how they plan to enable digital adoption for their communities in the areas of digital education, digital workforce development, digital healthcare monitoring, and broadband access by providing resources and services at the proposed facility. The applicant is required to address the role and involvement of the community in the project by discussing the number of people it will serve (including how the number was calculated), how the applicant will measure the impact of the facility on the community, any priority populations (COVID impacted and/or disproportionately impacted) that the facility's services are directed towards, and partnerships with community partners (if any).

The applicant will also be required to describe their project implementation plan, including a timeline of activities for the preparation of the facility for opening and activities towards for the delivery of services to the community. Additionally, the applicant must explain how they plan to conduct widespread outreach so that communities are aware of the facility and have the information necessary to fully use the resources, services, and/or programming offered.

2.5. Funds Matching and State Coordination

The grant will cover up to 80% of eligible project expenses, with a required 20% match by the grantee.

Applicants who are not a local government unit themselves or are not already in connection with a local government unit must apply in partnership with one. These

applicants include but are not limited to non-profit organizations. These partnerships can also provide insight into affordability to ensure that project costs, facility sites, and access costs are feasible for the community.

2.5.1. Additional Match

If a recipient has an additional match, they will receive a lower percentage of reimbursement per invoice. Because the additional match increases the total funding of the project, the percentage of reimbursement per invoice will be lower. The 80% match will be applied to the original project funding amount only. Please note that providing an additional match will not result in a higher score.

2.6. Community Anchor Institutions (CAIs)

Grantees should partner with a CAI, unless the applicant itself is a CAI, to demonstrate their understanding of the needs of the communities in which they are building their projects and to encourage digital adoption.

2.7. Use of Project Funds

2.7.1. Eligible Uses

Grant funding can only be used to pay for necessary construction, acquisition, and improvement of such facilities. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed. The following are eligible costs:

- Costs of construction, repair, rehabilitation, installation, improvement, and acquisition of real property, equipment (e.g., devices and office equipment), and facilities (e.g., telecommunications equipment)
 - In the event of office equipment items or otherwise non-structure related items, an inventory management system must be in place for tracking of grant funded items.
- Engineering, architectural, and project management costs including mileage rates involved in designing and constructing the proposed project
- Pre-project development costs and uses, including data gathering, feasibility studies, community engagement and public feedback processes, equity assessments and planning, needs assessments, permitting, planning, architectural design, engineering design, and work related to environmental, historical, and cultural reviews

- Cost of long-term leases (for terms greater than five years) of facilities required to provide qualifying broadband service, including indefeasible right-of-use (IRU) agreements and capital leases
 - In the event of a building under lease, if the applicant is not a local government entity, the owner of the property must be the local governmental entity in partnership with the applicant.
- Internal labor costs incurred as part of eligible project activities
 - Only reimbursable up to the proportion of employees' time spent exclusively on project activities during the period for which reimbursement is sought. When seeking reimbursement, applicants must submit such costs as line items and provide supporting documentation for the expense. Supporting documentation shall include time spent by each employee on project activities, total time spent by each employee during the period for which reimbursement is sought, and hourly cost. Indirect costs are not reimbursable.
 - Internal labor costs are not full reimbursements of payroll and salary, but hourly labor tracked for make-ready construction in the service area.
 - It is required that the grantee submit a report from the internal payroll system showing date/period during which the work was performed, hourly rates, and a description of the activities performed.
- Capital purchase to include vehicles or equipment purchased at \$5,000 or more
- Ancillary costs necessary to operationalize and put the capital assets to full use, including costs to increase broadband adoption and improve digital literacy
- Other miscellaneous upfront costs, with the written permission of TNECD: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, shipping and warehousing expenses, and miscellaneous minor material
- Stored materials (make-ready purchases): The stored materials should be documented in a spreadsheet that shows the material, price per unit, quantity used, total cost, and approximate date of use. No proof of payment is required.
- Tax: Tax payments are also reimbursed. There are two situations that must be addressed:
 - If the provider/contractor is charged sales tax and it shows on the vendor invoices, the expense can be reimbursed and should be supported by the relevant proofs of payment.
 - If the provider/contractor is charged tax on a lump sum basis and not on individual invoices, the tax payments can be reimbursed given the grantee details out the tax payment separately while claiming reimbursement.

- Screenshots from grantee’s accounting/management information system, as well as monthly tax returns, are acceptable documentation.
- Cost principles identified in 2 CFR Part 200, Subpart E, if not identified otherwise herein.

2.7.2. Ineligible Uses

Ineligible costs include any costs that are not for necessary construction, acquisition, and improvement of such facilities. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed.

- Operational and reoccurring expenses, other than grant administration costs
- Fundraising activities
- Short-term operating leases
- Expenses incurred prior to the date of the grant award announcement (except for make-ready and inventory backdated to March 15, 2021)
- Payment of interest or principal on outstanding debt instruments, or other debt service costs
- Fees or issuance costs associated with the issuance of new debt
- Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding
- Activities to support or oppose collective bargaining

2.8. Compliance

2.8.1. Fair Labor Practices

Applicants must provide record of and plans to be in compliance with federal labor and employment laws. The following is a general summary of laws that applicants must comply with; this summary is not exhaustive. For the exhaustive list of federal labor and employment laws, reference [Revised CPF State Guidance June 2023 \(treasury.gov\)](#), specifically Part 2 Sections A.5 and Section B.5.

1. Davis-Bacon Act (Subchapter IV of Chap. 31 of Title 40, United States Code):
 - a. Applicants must provide certification that all laborers employed to be working on the project are paid wages at rates not less than those prevailing.
 - b. If certification is not provided, then the applicant must provide a project employment and local impact report that includes the following:
 - i. The number of contractors and sub-contractors working on the project

- ii. The number of employees on the project hired directly and hired through a third party
 - iii. The wages and benefits of workers on the project by classification
 - iv. Whether those wages are at rates less than those prevailing
1. National Labor Relations Act (29 U.S.C. 158(f)):
 - a. Recipients are to provide certification that the project includes a project labor agreement, a pre-hire collective bargaining agreement that is in accordance with the National Labor Relations Act (29 U.S.C. 158(f)) section 8(f).
 2. Applicants must provide information on whether the project prioritizes local hires.
 3. Applicants must provide information on whether the project has a Community Benefit Agreement with a description of such agreement.

2.8.2. Civil Rights and Nondiscrimination Law

Recipients of Connected Community Facilities Grants are required to be in compliance with all civil rights and nondiscrimination federal laws related to the use of federal funds. Recipients shall not discriminate or deny benefits or services, on the basis of race, color, national origin (including limited English proficiency), disability, age, sex, sexual orientation, gender identity, or handicap. Recipients are required to agree to, by a form of binding commitment, abide by all civil rights and non-discrimination requirements set forth. The following is a general description of requirements; for an exhaustive list with exact requirements, reference [SLFRF Compliance and Reporting Guidance June 2023](#) and [Revised CPF State Guidance June 2023 \(treasury.gov\)](#).

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d-1 et seq.) and the Treasury's implementing regulations, 31 CFR Part 22, which states that no person in the United States shall, on the basis of race, color, or national origin, be excluded from participation in, denied benefits or services of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
2. Title IX of the Education Amendments of 1972 (20 U.S.C § 1681 et seq.) and the Treasury's implementing regulations, 31 CFR Part 28, states that no person in the United States shall, on the basis of sex, be excluded from participation in, denied benefits or services of, or be subjected to discrimination under any education program or activity receiving federal financial assistance.
3. The Americans with Disabilities Act of 1990 (42 U.S.C § 12101 et seq.) states that discrimination on the basis of disability in employment, state and local

government, public accommodations, commercial facilities, transportation, and telecommunications is strictly prohibited.

4. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) prohibits the discrimination of a qualified individual with a disability under any program or activity that receives federal financial assistance.
5. The Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.), and the Treasury's implementing regulations, 31 CFR Part 23, prohibits discrimination based on age for any programs or activities receiving federal financial assistance.
6. Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq., states that it is an unlawful employment practice for an employer to discriminate against an individual with respect to employment on the basis of the individual's race, color, religion, sex, or national origin.

2.8.3. Domestic Preference

Under Uniform Guidance (2 CFR 200.322), grantees must provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. This includes items and construction materials composed of metals, plastics, aggregate (such as optical fiber), and lumber. All items made in whole or in part of these covered materials apply. Grantees should make all efforts to document this preference and ensure subcontractor compliance, including listing the referenced clause in all subcontracts.

03 | Application Information

3.1. Pre-Application Steps

3.1.1. System Award Management (SAM) Registration

Each applicant must obtain a SAM Unique Entity ID from SAM.gov in order to be eligible to receive funding from the Connected Community Facilities Grant Program. As a sub awardee of a federal award, the applicant is only required to obtain a Unique Entity ID and does not have to complete a full SAM registration. Once on SAM.gov, the entity should choose the “Get a Unique Entity ID Only (No Entity Registration Required)” option. In order to receive a Unique Entity ID, the entity must input their legal business name and physical address along with any other required information.

3.2. Key Dates

TNECD Broadband anticipates opening the Connected Community Facilities grant opportunity application on October 2, 2023, and closing the applications on November 15, 2023. The anticipated announcement for the awards will be March 2024.

3.3. Content and Form of Applications

Applications will be submitted via the grant management software SmartSimple. Grantees will need to register with SmartSimple at https://ecd.grants.tn.gov/s_Login.jsp order to access the grant application.

3.3.1. Provider Information

The applicant should be prepared to provide identifying information including the legal entity name, Federal Employer Identification Number (FEIN), SAM ID, mailing address, and primary contact information.

3.3.2. Project Information

The applicant will need to provide information including project descriptions, information about the service area, facility information, project implementation information, and information on the project timeline.

3.3.3. Community Impact

Applicants will have the opportunity to describe how the project will provide activities and services to directly enable education, workforce development, healthcare monitoring, and broadband accessibility. If the project will charge facility patrons fees to use the services provided in each of those areas (in other words, generate program income), the applicant must explain how these fees were set as well as how they plan to put all program income back into the program. Applicants will also need to select from a list which activities and services the facility will provide to the community.

Additionally, information about partnerships with community anchor institutions (if applicable) as well as how accessible the facility will be for the community will need to be provided.

Applicants are expected to provide numerical estimates and explanations of how they calculated those estimates and how they plan to measure their stated impact.

3.3.4. Budget Worksheet

The applicant should click on the “Grant Budget Details” open button to access the budget worksheet. Then the applicant should enter line items and descriptions into the appropriate sections and provide the following details for each of those line items:

- Unit cost
- Number of units
- Total unit cost
- Grant funds requested
- Cash match amount
- Additional Match (Reference Section 2.5.1. for details.)

3.3.5. Budget Narrative

Each applicant is required to submit a detailed budget narrative that explains and justifies all costs. For each object class, there must be descriptions and justifications for the necessity and basis for the listed costs. Costs must be within the bounds of what is considered allowable costs and must be in compliance with 2 CFR Part 200

for administrative requirements, cost principles, and audit requirements. All budget amounts must match exactly across all budget documentations. Identifying non-federal sources of the budget is also required to be included in the budget narrative, along with distinctions between non-federal and federal portions of the budget with explanation.

The following are summaries of what sections and content are to be included in the budget narrative. Applicants are required to include all information discussed below and information that is required in the budget narrative template in the Appendix of this document. The applicant will be required to input the budget narrative detailed descriptions into the “Budget Justification and Explanation” section within the application.

Total Federal Funding for Connected Community Facilities Project

List the total requested funding at the top of the budget narrative; this total must match exactly across all budget documentation.

1) Construction

Applicants must provide a detailed description of any proposed construction costs for the project. Examples of construction costs are costs related to the construction, repair, rehabilitation, installation, and improvement of facilities, along with internal labor costs incurred as part of eligible project activities. Costs are to be broken down by line item, and the description should include methods used to calculate the costs and any additional information to describe the costs.

2) Architect/engineering fees

Applicants must provide a detailed description of any proposed architect and engineering costs for the project. Examples of architect and engineering costs are costs related to engineering, architectural, and project management costs involved in design and constructing the proposed project. Costs are to be broken down by line item, and the description should include methods used to calculate the costs and any additional information to describe the costs. Engineering expenses can be included if they fall within the contract period. Mileage rates charged as a part of engineering expenses should be brought down to the state-level regulations (\$0.655/mile), which also needs to be shown on the invoices.

3) Professional fees, grant, and award

Applicants must provide a detailed description of any proposed professional fees and grant and award costs for the project. Examples of professional fees and

grant and award costs are engagement and public feedback processes, equity assessments and planning, needs assessments, permitting, planning, architectural design, engineering design, and work related to environmental, historical, and cultural reviews. Costs are to be broken down by line item, and the description should include methods used to calculate the costs and any additional information to describe the costs. Additionally, fees for external consultants or agencies engaged in designing and/or implementing grassroots marketing campaigns for the Affordable Connectivity Program and the organization's awards, grants, subsidies, and other pass-through expenditures may be included in this section.

4) Supplies, telephone, postage and shipping, equipment rental and maintenance, and printing and publications

Applicants must provide a detailed description of any proposed supplies, telephone, postage and shipping, equipment rental and maintenance, and printing and publication costs for the project. Examples of these costs are devices, office equipment, telecommunications equipment, and shipping. Costs are to be broken down by line item, and the description should include methods used to calculate the costs and any additional information to describe the costs.

5) Occupancy

Applicants must provide a detailed description of any proposed occupancy costs for the project. Examples of these costs are:

- Ancillary costs necessary to operationalize and put the capital assets to full use, including costs to increase broadband adoption and improve digital literacy
- Cost of long-term leases (for terms greater than five years) of facilities required to provide qualifying broadband service, including indefeasible right-of-use (IRU) agreements and capital leases.

Costs are to be broken down by line item, and the description should include methods used to calculate the costs and any additional information to describe the costs.

6) Grant/project administration (limited to 6% of total budget or indirect cost rate if a negotiated indirect cost rate agreement is in place)

Administrative expenses refer to indirect costs associated with operating the program. Applicants must provide a detailed description of any proposed indirect grant and project administration costs for the project.

Examples of covered administrative costs are:

- Administration, including carrying out performance accountability requirements (e.g., compiling monthly expenditure reports, aggregating quarterly performance data, fulfilling a request from TNECD concerning costs or other program-level information, etc.)
- Planning activities (excludes strategizing and implementation of developed plan)
- Budgeting and accounting services to track grant and prepare reimbursement requests
- Environmental review
- Federal grant compliance (Davis-Bacon, financial management, procurement, closeout, etc.)

Applicants, if awarded, are permitted to charge both direct and indirect costs to their award as administrative costs. If an applicant has a current Negotiated Indirect Costs Rate Agreement (NICRA), the applicant may use their current NICRA to charge indirect costs to the award. However, if the applicant does not have a current NICRA, they may elect to use the de minimis rate of 6 percent of the modified total direct costs to charge indirect costs to the award pursuant to 2 CFR 200.414(f).

7) Capital purchase

Applicants must provide a detailed description of any proposed capital purchase costs for the project. Examples of capital purchase costs are the acquisition of real property and vehicles or equipment purchased at \$5,000 or more. Costs are to be broken down by line item, and the description should include methods used to calculate the costs and any additional information to describe the costs.

8) Project contingency

Applicants must provide a detailed description of any proposed contingency costs for the project. Costs are to be broken down by line item, and the description should include reasoning regarding the need for contingency funding, methods used to calculate the costs, and any additional information to describe the costs.

9) Other non-personnel

Applicants must provide a detailed description of any proposed other non-personnel costs for the project. Examples of other non-personnel costs are any other upfront costs not covered in other categories, such as permits, required licenses, sales tax applicable to new equipment purchases and warehousing

expenses, and miscellaneous minor material. Costs are to be broken down by line item, and the description should include methods used to calculate the costs and any additional information to describe the costs.

3.3.6. Additional Uploads

The upload section of the application will allow applicants to upload required and optional documents, including:

- Project timeline (separate Excel spreadsheet; a template will be available at [TNECD's website](#))
- The applicant's organization procurement policy
- Completed grant payment setup form
- Proposed boundary map area the facility will serve
- Partnership agreement
- Additional infrastructure funding supporting documentation
- Miscellaneous supplemental documentation
- Community support letter(s)
- Community partner agreement(s)
- Community anchor institution letter(s) (CAIs)
- Proof of project financing
- Any applicable local match letters of assurances
- Long-term lease agreement, if applicable

04 | Application Review Process

4.1. Completeness Review

Following the closing of the application on November 15, 2023, 4 PM CST, all applications will be assessed for eligibility and completeness. This review will include assessing that administrative information is complete and correct and that the applicant is in good standing with their other federally funded projects. The applicant’s adherence to application instructions and completion of budget and other supplementary attachments will be examined at this stage.

TNECD may take up to 7 to 10 business days (November 16 — December 11, 2023) after the application submission deadline to evaluate the applicant’s completeness. If TNECD determines that an applicant’s application is incomplete, TNECD will allow the applicant 5 business days to make the necessary adjustments.

No applications will be accepted after the application deadline.

4.2. Scoring Review

Applications will also be assessed for their impact on the community they seek to serve, **as outlined in Sections 2.2 and/or 2.3**. The following criteria will be assessed as part of the community impact review; note that the points per category are not divided equally across each scoring criteria within the category:

Category	Scoring Criteria	Total Points Possible
Services and Resources	What services are offered in the proposed project? Evaluate the cost of proposed services based upon the economic thresholds in the community.	Up to 35 points

Category	Scoring Criteria	Total Points Possible
	Evaluate the quantity and quality of broadband adoption resources to be provided by the facility.	
	Evaluate the transportation plan and options proposed for accessing the facility.	
Project Design and Objectives	Is there is a community need?	Up to 30 points
	Is the project tailored to community needs?	
	Does the applicant demonstrate commitment to promote broadband access and adoption?	
Project Implementation and Readiness	What is the financial feasibility of the project?	Up to 45 points
	Does the applicant provide an additional match beyond the required match?	
	Has the applicant demonstrated ability to meet project milestones and timeline, and to meet project objectives requirements (enabling healthcare, work, and education)?	
Community Development and Partnership	Evaluate the project's impact and plan for community development.	Up to 65 points

Category	Scoring Criteria	Total Points Possible
	<p>What is the county's Broadband Ready Community status?</p> <p>Evaluate the applicant's partnerships with community and service providers.</p> <p>Evaluate the applicant's level of community support and outreach to the community.</p>	
	Total Base Points	Up to 175 points
Additional Points	Is the county's economic designation "at-risk" or "distressed" in FY 2024	5 points
	Does the project refurbish a "National Register of Historical Places" facility?	5 points
	Total Possible Points	Up to 185 points

4.3. Anticipated Announcement and Award Dates

The anticipated award announcement date for the Connected Community Facilities Grant Program will be in March 2024.

05 | TNECD Award Administration

5.1. TNECD Award Notices

A grants officer from the TNECD Broadband office will serve as the grants officer for awards issued from this program. Applicants will be notified in writing by the TNECD Broadband Grants Officer if their application is selected for an award. If an applicant is awarded funding, the TNECD Broadband Grants Officer will issue the grant award by an authorizing financial assistance award document. By signing the document, the recipient agrees to comply with all terms, conditions, and provisions set forth. If an applicant is awarded funding, TNECD Broadband office is not under any obligation to provide additional funding in connection with that award or make any future awards.

5.2. National Policy Requirements

5.2.1. Uniform Guidance and Cost Principles

Recipients of an award are subject to various federal regulations, including Uniform Administrative Guidance, Cost Principles, and Audit Requirements set forth in 2 CFR Part 200. Treasury may deem certain provisions inapplicable to such award and are subject to such exceptions provided by Treasury. Subpart D – Post Federal Award Requirements of the Uniform Guidance shall apply to this award, along with Subpart E – Cost Principles and Subpart F – Audit Requirements, including the Single Audit Act, of the Uniform Guidance. For an exhaustive list of uniform guidance requirements, reference [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

Cost principles: As set forth in 2 CFR Part 200 Subpart E, allowable costs are based on, but not limited to, the premise that the non-federal entity (recipient) assumes the responsibility for the administration of funds in an effective and appropriate manner, employment of sound organization and management techniques, and appropriate accounting practices. Recipients are responsible for the creation of internal controls that monitor to ensure compliance with 2 CFR Part 200 Subpart E. For the exhaustive cost principles regulations list, see [eCFR :: 2 CFR Part 200 Subpart E -- Cost Principles](#).

5.2.2. Environmental and National Historical Preservation Requirements

The Treasury's Coronavirus Capital Projects Fund Environmental Checklist is a reference document that lists environmental laws that may apply to any eligible CPF project. Recipients must retain records, permits, and documentation necessary to evidence compliance with all environmental requirements. As the awarding entity, TNECD must perform the proper due diligence to ensure their project complies with all applicable environmental laws; recording-keeping will be validated at mid-point and close-out with a monitoring visit or call. See the checklist at <https://home.treasury.gov/system/files/136/CPF-Environmental-Questionnaire.pdf>.

The following is a summary of the National Environmental Policy Act (42 U.S.C. §§ 4321 et seq.) and the National Historic Preservation Act (16 U.S.C. §§ 470 et seq.); note that the following descriptions are only general summaries.

The National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321 et seq.) provides a national policy that encourages “productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man...” The NEPA requires that all federal agencies use a systematic, interdisciplinary approach for protection of the human environment; this approach will ensure the integrated use of the natural and social sciences in any planning and decision-making that may have an impact upon the environment. The NEPA also requires the preparation of a detailed Environmental Impact Statement (EIS) on any major federal action that may have a significant impact on the environment. If the answer to any of these questions is “yes,” contact the relevant federal agency or agencies for further guidance on environmental compliance. For more information about NEPA, see <https://ceq.doe.gov/>.

1. Will the proposed activity be under the permitting authority of any federal agency?
2. Will the proposed activity receive federal assistance (other than the Coronavirus Capital Projects Fund and American Rescue Plan- State Local Fiscal Recovery Funds)?
3. Will the proposed activity be subject to any federal regulatory decision or approval?
4. Has a NEPA or NEPA-like review been independently prepared for this proposed eligible activity or is a NEPA review underway?

The NHPA (16 U.S.C. §§ 470 et seq.) states that recipients are required to inform the

awarding agency of any direct or indirect effects the award may have on properties included or eligible for inclusion on the National Register of Historic Places. Recipients may also be inquired to assist with consulting with State or Tribal Historic Preservation Officers, among others, to assess unfavorable effects to historic properties. If the NHPA consultations and documentation are not completed or in the case that additional information is required to ensure compliance with the NHPA regulations, funds can be withheld until the documentation is completed and provided. In addition to NHPA regulations, recipients are required to comply with the Archeological and Historic Preservation Act of 1974 (54 U.S.C. § 312502 et seq.), Executive Order 11593, and Executive Orders 13006-7. For more information on the requirements for NHPA and other compliances, see [Federal Historic Preservation Laws \(nps.gov\)](https://www.nps.gov), as recipients are liable for adherence to all requirements set forth by NHPA and other compliances.

5.2.3. Property Trust Relationship and Public Notice Filings for Grant-Acquired Property

In accordance with § 200.316 Property trust relationship, real property, equipment, and intangible property, that are acquired or improved by a federal award must be held in trust by the recipient as trustee for the beneficiaries of the award under which the property was improved or acquired. The awarding agency may require the recipient to record liens or other public notices of record that are appropriate to demonstrate that real or personal property has been improved or acquired by a federal award and that use and disposition conditions apply to the property. For more information refer to, [eCFR :: 2 CFR 200.316 -- Property trust relationship](#).

5.2.4. Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms

In accordance with 2 CFR. § 200.321, the recipient of an award must take the following affirmative steps to ensure that businesses under 2 CFR § 200.321 are used when possible.

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists
2. Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises

4. Establishing delivery schedules, where the requirement permits

5.3. Reporting

Grantees will have access to procurement and compliance resources that contain information regarding grantee requirements. Grantees will be required to report quarterly to TNECD on January 1, April 1, July 1, and October 1 of each year until the final expenditure of the grant or the final report on March 31, 2027. Grantees will also have to submit an annual report and closeout report.

For more information regarding reporting requirements, reference [Revised CPF State Guidance June 2023 \(treasury.gov\)](#).

5.3.1. Required Programmatic Data

Recipients of the CCF Grant are required to submit additional information in the Project and Expenditure reports based on its SLFRF expenditure category. Please reference [State and Local Fiscal Recovery Funds Compliance and Reporting Guidance June 2023](#) and [Revised CPF State Guidance June 2023 \(treasury.gov\)](#) for more information. More information will be provided upon award.

5.4. Audit Requirements

Requirements for Non-profit and Non-federal Government Subrecipients:

Subpart F of 2 CFR Part 200 states that any recipients and subrecipients of federal awards that expends \$750,000 or more during the fiscal year in such awards are required to have a single audit conducted for that year in accordance with § 200.514. The exception for a single audit is only when it elects to have a program-specific audit conducted. For more information on audit requirements, see [eCFR :: 2 CFR Part 200 Subpart F -- Audit Requirements](#), as the recipient will be required to adhere to all audit requirements.

Requirements for For-profit Subrecipients:

The single audit requirement does not apply to for-profit subrecipients. TNECD has established audit requirements that for-profit subrecipients must be in compliance with.

5.5. Monitoring

All grantees will be subject to monitoring activities, including a desk review of project documents. Some grantees may be subject to additional monitoring, such as

a site visit, based on risk level determined by TNECD’s broadband team. The first monitoring check will be at the midpoint of project completion—when the project is 50% complete as attested to by the grantee—and at closeout review. Grantee will be eligible for the remaining 15% of their invoice reimbursements once the closeout review has been completed.

5.6. Invoicing

Grantees will be required to invoice exact expenses directly to TNECD. Grantees must follow the format prescribed by TNECD, which includes a cover sheet outlining the invoice items against each contractor or make-ready/material charge-out/inhouse labor expenses along with supporting documentation, including individual invoices and proofs of payment. The file should be submitted to the mail ID ECDBroadband.Invoices@tn.gov.

Grantees must redact information such as ACH company name, ABA code, account number, MICR code from their invoices, and proofs of payments before submitting invoices to TNECD. Invoices will be thoroughly reviewed for accuracy and consistency before payment can be disbursed.

Advisory for select budgeted line items

Grantees should be aware that the below categories, if not supported by the appropriate documentation as outlined in the table below, will be considered red flags. This would lead to a delay in the invoice review process. Therefore, it is advisable that the instructions described below be followed carefully:

No.	Red Flag Category	Red Flag Description	Instructions for Submitting Invoices
1	Construction	Permits, licenses and allied/similar fees for construction purposes (usually construction of fiber network)	Include a memo from the grantee stating the expenses are justified.
2	Inhouse labor	No payroll or salaries will be considered for inhouse labor	Labor applies to the make-ready back date (March 15, 2021) and should be submitted within the Construction line item.

No.	Red Flag Category	Red Flag Description	Instructions for Submitting Invoices
3	Inventory	Operational expenses	<p>A spreadsheet should be pulled from the organization’s payroll system and should contain the following data: employee, total hours, and description of work/ location.</p> <p>Hourly labor tracked for make-ready construction in the service area is acceptable.</p> <p>Inventory applies to the make-ready back date (March 15, 2021) and should be submitted within the Construction line item.</p> <p>Only prepaid inventory items charged out to complete make-ready construction in the service area.</p> <p>A spreadsheet should retain record of the following data: item, amount, quantity, description and use, and total amount.</p>
4	Engineering	Budget line for project/ plan designs, engineering consultant fees, and specified engineering invoices	Grantee should make sure that engineering expenses ready to be claimed should fall in the contract period.
5	Capital Purchase	Budget line for pre-approved specific items as identified in the grant contract	Any capital purchase must be included in the contract in order to be claimed as an expense.

Other general red flags:

- Duplicative charges
- Reimbursement invoices that cross fiscal years on their invoice service timeline
(Note: TNECD's fiscal year ends June 30)

5.7. Technical Assistance

TNECD will provide grantees with technical assistance and resources including compliance webinars, invoicing training, and other programming and guidance throughout the contract period.

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07 | Appendix

7.1. Application Checklist

Completion Status	Documented Upload	Description
	Project Timeline Spreadsheet	A spreadsheet indicating key activities and milestones by quarter (template available at the TNECD website)
	Applicant organization's procurement policy	The organization's existing procurement policy to demonstrate consistency with federal and state procurement standards
	Completed Grant Payment Setup Form	The applicant's banking information to expedite grant disbursement, if awarded. If applicant has submitted a grant payment setup form previously and their bank information has not changed, they do not need to resubmit.
	Proposed boundary map of the area that the facility will occupy	A .shp, .kml, or .kmz file showing a map indicating the boundaries of the facility within the surrounding area
	Additional infrastructure funding supporting documentation	Any supporting documentation for additional funding
	Miscellaneous supplemental documentation	Any other supplemental documentation that does not fit in the other categories.

Completion Status	Documented Upload	Description
	<p>Community support letter(s)</p> <p>Community partner agreement(s)</p>	<p>Letters from community members or organizations endorsing the applicant and demonstrating that the applicant has made outreach efforts</p> <p>Any agreement made between the applicant and a community partner in which the community partner is involved in the delivery of resources, activities, or programming at the facility</p>
	Partnership agreement (if applicant is not a local government entity)	Any agreement made between the applicant and a local unit of government
	Letters from community anchor institutions (CAIs)	Letters from CAIs (e.g., schools, libraries, healthcare providers) who support the applicant and explain why this service or better level of service is critical to their operations
	<p>Proof of project financing</p> <p>Any applicable local match letters of assurances</p>	<p>Two of the following documents to show that the project can cover the match requirement and any additional funding needed for expenses prior to reimbursement: audited financials, bank statement, letter of credit, proof of funds</p> <p>Letters from local sponsors assuring their partnership and their willingness and ability to match funds</p>
	Long-term lease agreement	Any long-term lease agreements that are made for the proposed project, if applicable

7.2. Budget Narrative Template

All applicants must submit a budget narrative proposing how funds will be expended. The budget worksheet will be completed in SmartSimple.

In SmartSimple click on the "Budget Sheet" button.

The first table in the worksheet, Budget Details, will auto-populate based on input from the tables below: Salaries and Wages, Professional Fees, Supplies, Telephone, Postage and Shipping, Equipment Rental and Maintenance, Printing and Publications (less than \$5,000), Capital Purchases, Other Non – Personnel, Employee Benefits & Payroll Taxes, Administrative Expenses, and Specific Assistance to Individuals.

If there are expenses relating to a table specific to each budget category, you may add as many rows as needed by clicking the "+" button below the table. If you need to remove a row, you may click the "X" button at the end of the row.

Supplies, Telephone, Postage Shipping, Equipment Rental Maintenance, Printing Publications							
Please include a brief description of supplies costs.							
Item Description	Unit Cost	Number. of Units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional match funds	
Modems	\$250.00	10	\$2,500.00	\$1,250.00	\$312.50		X
	\$250.00	10	\$2,500.00	\$1,250.00	\$312.50	\$0.00	
+							

Note that the Total Unit Cost column and the Cash Match Amount columns will automatically populate based on input from the other columns.

Once you have completed filling out the budget worksheet, press the save button at the bottom of the worksheet. If you need to restart the worksheet for any reason, you may also quickly clear the worksheet by pressing the "Clear" button as shown here.



The following examples are references for each budget category of the budget worksheet. Please note that costs are to be broken down by line item and the description should include methods used to calculate the costs and any additional

information to describe the costs. Below is an example of what the detailed budget will look like in SmartSimple.

Budget Category #1: Construction						
	Unit Cost	No. of units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional Match
<i>Ex: Fencing – 30' x 30'</i>	\$7,000	12	\$84,000	x	x	x
Construction Total						

Example of a sufficient budget narrative detailed description for the line item above:

- Fencing (\$84,000): 6-foot chain link fencing with security wiring and two gates. Local contractor estimated \$7,000 per site based on previous, similar work. Each node (12) will require fencing.
- Note: “X” indicates fields that will need to be filled in by the applicant—the fields filled in above are for example purposes only.

Budget Category #2: Architect/Engineering Fees						
	Unit Cost	No. of units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional Match
<i>Ex: Design Fees</i>	\$100	10	\$1,000	x	x	x
Architect/ Engineering Fees Total						

Example of a sufficient budget narrative detailed description for the line item above:

- Design fees (\$1,000): The designs will be completed by an engineer. Designs are necessary since new infrastructure is to be constructed and the designs will ensure that the infrastructure will be designed to best fit its planned use. The time is estimated at 10 hours at \$100 an hour. The costs are estimated based on industry standards for the area.
- Note: “X” indicates fields that will need to be filled in by the applicant—the fields filled in above are for example purposes only.

Budget Category #3: Professional Fees, Grant/Award						
	Unit Cost	No. of units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional Match
<i>Ex: Equity Assessment Planning</i>	\$1,000	1	\$1,000	x	x	x
Professional Fees, Grant/Award Total						

Example of a sufficient budget narrative detailed description for the line item above:

- Equity assessment planning (\$1,000): An equity assessment needs to be conducted for the project. In order to accurately complete the assessment, there needs to be a plan on how necessary data will be gathered and submitted. The \$1,000 will cover the costs of data-gathering and the submission of the assessment. Costs are based on average costs for assessment planning.
- Note: “X” indicates fields that will need to be filled in by the applicant—the fields filled in above are for example purposes only.

Budget Category #4: Supplies, telephone, postage and shipping, equipment rental and maintenance, and printing and publications						
	Unit Cost	No. of units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional Match
<i>Ex: Modems</i>	\$250	10	\$2,500	x	x	x
Supplies Total						

Example of a sufficient budget narrative detailed description for the line item above:

- Modems (\$2,500): 10 consumer-grade modems at \$250 each. Modems are necessary for communication between ISP and devices. Purchase price is based on standard cost for this equipment type.
- Note: “X” indicates fields that will need to be filled in by the applicant—the fields filled in above are for example purposes only.

Budget Category #5: Occupancy						
	Unit Cost	No. of units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional Match
<i>Ex: 10-Year Facility Lease</i>	\$500	120	\$60,000	x	x	x
Occupancy Total						

Example of a sufficient budget narrative detailed description for the line item above:

- 10-Year Facility Lease (\$60,000): A ten-year lease for a facility that would provide qualifying broadband service costs \$500 per month; 120 months x \$500 totals \$60,000. The cost per month is estimated based on the average lease cost per month for the area.
- Note: "X" indicates fields that will need to be filled in by the applicant—the fields filled in above are for example purposes only.

Budget Category #6: Grant/Project Administration						
	Unit Cost	No. of units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional Match
<i>Ex: Legal fees associated with sub-recipient contracts/ accounting fees associated with audit</i>	\$3,000	4	\$12,000	x	x	x
Grant/ Project Administration Total						

Example of a sufficient budget narrative detailed description for the line item above:

- Legal Fees/Accounting Fees: Recipients will be audited annually for the life of the project. An audit costs \$3,000; the anticipated life of the project is four years. The total cost of accounting fees associated with auditing would be \$3,000 x 4, which totals to \$12,000.

- Note: “X” indicates fields that will need to be filled in by the applicant—the fields filled in above are for example purposes only.

Budget Category #7: Capital Purchase						
	Unit Cost	No. of units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional Match
<i>Ex: Computer Desktops</i>	\$500	10	\$5,000	x	x	x
Capital Purchase Total						

Example of a sufficient budget narrative detailed description for the line item above:

- Routers (\$5,000): 10 consumer-grade routers at \$500 each. Routers are necessary for communication between internet and devices. Purchase price is based on standard cost for this equipment type.
- Note: “X” indicates fields that will need to be filled in by the applicant—the fields filled in above are for example purposes only.

Budget Category #8: Project Contingency						
	Unit Cost	No. of units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional Match
<i>Ex: Equipment Repair</i>	\$10,000	1	\$10,000	x	x	x
Project Contingency Total						

Example of a sufficient budget narrative detailed description for the line item above:

- Equipment Repair (\$10,000): Equipment repair funds are necessary in case of damage to any of the equipment that is essential to broadband access. The contingency funding amount was calculated based on average equipment repair prices.
- Note: “X” indicates fields that will need to be filled in by the applicant—the fields filled in above are for example purposes only.

Budget Category #9: Other Non-Personnel

	Unit Cost	No. of units	Total Unit Cost	Grant Funds Requested	Cash Match Amount	Additional Match
<i>Ex: Building Permit</i>	\$5,000	1	\$5,000	x	x	x
Other Non-Personnel Total						

Example of a sufficient budget narrative detailed description for the line item above:

- Building Permit (\$5,000): Permit is necessary for the construction of infrastructure. Cost is based on industry standards for building permits for the area.
- Note: “X” indicates fields that will need to be filled in by the applicant—the fields filled in above are for example purposes only.



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