Kansas BEAD Program

In-Kind Match Guidance

The following resource provides those entities interested in participating in the Kansas Office of Broadband Deployment (KOBD)'s Broadband Equity, Access, and Deployment (BEAD) program with guidance on matching funds.[1] Interested parties should also review the BEAD Match Primer released by the National Telecommunications and Information Administration (NTIA) in May 2024.

KOBD maintains final approval to determine whether a proposed matching contribution is acceptable or not, unless a match waiver has been submitted by the applicant and granted by NTIA.

Allowable BEAD Matching Contributions

For BEAD, a matching contribution can either be a cash match or an in-kind match. Match, also known as cost share, is the portion of a project's cost not paid by federal funds. Eligible Entities should provide match at the same general rate as the federal share; however, nothing prohibits contributing the full match up front if desired.

> **Cash Match**: Cash match, or cash contribution, includes cash spent for project-related costs.
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> **In-Kind Match**: In-kind contributions, which may include third-party in-kind contributions, are non-cash donations of property, goods, or services, which benefit a federally assisted project, and may count toward satisfying the non-federal matching requirement of a project's total budgeted costs when such contributions meet certain criteria. Under Section 2.4.1 of Volume 2, KOBD allows in-kind contributions to count towards the matching fund requirement of BEAD.
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> The **Buy America preference** under BABA and 2 CFR part 184 applies to all Federal financial assistance as defined in 2 CFR 200.1 or successor regulations — whether funded through IIJA or not — where funds are appropriated or otherwise made available and used for a project for infrastructure. See 2 CFR 184.2(a), 200.1, and 200.322(c). Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, cooperative agreements, **non-cash contributions** or donations of property, direct assistance, loans, loan guarantees, and other types of financial assistance. Therefore, the Buy America preference applies to *an entire infrastructure project*, even if it is funded by both Federal and non-Federal funds under one or more awards. In other words, if an infrastructure project receives a Federal award, the Buy America preferences apply to both the Federal funds and non-Federal funds used for the infrastructure project, including in-kind match. BEAD BABA FAQ 2.21.24

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1 This document is intended solely to assist applicants in better understanding the BEAD grant program and the requirements set forth in the Notice of Funding Opportunity (NOFO) and follow-on policies and guidance for this program. This document does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, the terms and conditions of the subaward, or the specific application requirements set forth in the NOFO or the program guidelines. In all cases, statutory and regulatory mandates, the terms and conditions of the award, the requirements set forth in the NOFO, and follow-on policies and guidance, shall prevail over any inconsistencies contained in this document.

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BEAD Requirements for Matching Contributions

Pursuant to the BEAD Notice of Funding Opportunity (NOFO), the following criteria must be met to be eligible for a BEAD subaward with regards to matching contributions:

- Subrecipients shall provide matching funds of not less than twenty-five percent (25%) of deployment projects[2] costs, exclusive of "high-cost areas".[3]
- Matching funds must be allowable and allocable project expenses (i.e., must stay with the project).
- Any funds provided as match cannot be allocated to other project activities (i.e., match cannot be aggregated).
- For all matching funds, KOBD must adhere to, and therefore subrecipients must comply with, the requirements in 2 C.F.R. 200.306, listed here:
    1. Verifiable from the non-federal entity's records;
    2. Not included as contributions for any other federal award;
    3. Necessary and reasonable to accomplish project or program objectives;
    4. Allowable under subpart E of 2 C.F.R. 200.306;[4]
    5. Not paid by the federal government under another federal award, except where the federal statute authorizing a program specifically provides that federal funds made available for such program can be applied to matching or cost-sharing requirements of other federal programs.[5]
    6. Provided for in the approved budget when required by the federal awarding agency;

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2 The BEAD match requirement does not apply to non-deployment projects.

3 The BEAD match requirement is waived for "high-cost area" deployment projects." A high-cost area is an unserved area in which the cost of building out broadband service is higher, compared to the average cost of building out broadband service in unserved areas in the United States (as determined by the Assistant Secretary, in consultation with the Federal Communications Commission). Incorporating factors for determining "high-cost area" include: (i) the remote location of the area; (ii) the lack of population density of the area; (iii) the unique topography of the area; (iv) a high rate of poverty in the area; or (v) any other factor identified by the Assistant Secretary, in consultation with the FCC, that contributes to the higher cost of deploying broadband service in the area.

4 "(e) Volunteer services furnished by third-party professional and technical personnel, consultants, and other labor may be counted as cost sharing if the service is necessary for the program. Rates for third-party volunteer services must be consistent with those paid for similar work by the recipient or subrecipient. When the required skills are not found in the recipient's or subrecipient's workforce, rates must be consistent with those paid for similar work in the labor market where the recipient or subrecipient competes for the services involved. In either case, fringe benefits that are allowable, allocable, and reasonable may be included in the valuation."

5 Funds from other federal programs (including funds from the FCC's Universal Service Fund programs) generally may not be used as matching funds; however, the IIJA expressly provides that matching funds for the BEAD program may come from a federal regional commission or authority and from funds that were provided to KOBD or a subgrantee for the purpose of deploying broadband service under the Families First Coronavirus Response Act (Public Law 116-127; 134 Stat. 178); the CARES Act (Public Law 116-136; 134 Stat. 281), the Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182); or the American Rescue Plan Act of 2021 (Public Law 117-2; 135 Stat. 4), to the extent permitted by those laws. For KOBD to allow federal regional commission funding as a match, the project must comply with **all** BEAD programmatic requirements **and** any requirements imposed by the federal regional commission.

7. Conform to other provisions of 2 C.F.R. 200.306, as applicable.

Who can provide Match Contributions?

Match can be provided from the following sources:

Potential Sources of In-Kind Contributions

In-Kind contributions may be in the form of real property, services, equipment, and supplies, while pre-project costs are also eligible to be considered, if it directly benefits and can be specifically tied to the proposed project.

In-Kind contributions must be reasonable, allocable, and necessary, and shall not exceed the current fair market value of the property at the time of the donation to the project (i.e., when the in-kind contribution is presented for match and added to the project budget).

NTIA and KOBD encourages applicants to thoroughly consider potential sources of in-kind contributions that, depending on the particular property or service and the applicable federal cost principles, could include: (i) employee or volunteer services; (ii) equipment; (iii) supplies; (iv) indirect costs; (v) computer hardware and software; (vi) use of facilities, or (vii) professional services. In the broadband context this could include, consistent with federal cost principles, waiver of fees associated with access to rights of way, pole attachments, conduits, easements, or access to other types of infrastructure.

Further examples regarding potential in-kind match sources that shall be considered by KOBD are listed in the table below:

ACCEPTABLE IN-KIND CONTRIBUTIONS	EXAMPLES	BASIS OF VALUATION
Equipment	Routers, tower radios, optical nodes, transmitters, receivers, etc.	Actual cost of purchase (NetBook value) or the lowest cost available for retail purchase (Fair Market Value)

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Real Property	Donated land, including land with improvements, structures, and buildings (e.g., rights of-way, towers, and poles).	Current fair market value of the property, even if it exceeds the certified value at the time of the donation to the project, if subrecipients provide sufficient justification
Materials	Fiber optic cables, conduits, cabinets, strand, lashing wire, etc.	Actual cost of purchase (NetBook value) or the lowest cost available for retail purchase (Fair Market Value)
Vehicle Rental	Bucket truck, pickup truck, transport trailer, etc.	Rental rate equivalent to the average cost per day at fair market price specific for that locality, multiplied by the number of days used
Equipment Rental	Lasher, trencher, excavator, etc.	Rental rate equivalent to the average cost per day at fair market price specific for that locality, multiplied by the number of days used
Professional Services	Engineering services, design services, project management services, locating, etc.	Normal rates consistent with fair market value for the specific services in the area.

Documentation and Valuation Methodology for Matching Contributions

The subrecipient, and third party if applicable, must provide and maintain documentation to verify the proposed matching contribution to the project to meet the BEAD matching share requirement.

Any Matching Contribution

- Records to include the source, amount, quantity, time, and delivery of each match service
- Records through the life of the grant and grant closeout
- Legally binding attestation that the contribution is related to and necessary for the project
- Letter of Commitment to support the amount claimed as the match contribution for the project, including a description of the contributed item, the method of valuation, and the terms of the donation

Cash Match

- Bank or financial statements, showing available and expended funding
- Receipts from disbursements

In-Kind Match

- For volunteer services where the rate must not exceed fair market value, use federal tools such as the Bureau of Labor Statistics to determine wage rate information. To

the extent feasible, documents that record time for paid labor, such as timesheets and timecards

- For professional services, documents such as invoices denoting the project name, rate of pay, hours, and the total cost.
- For reduced rates from consultants and other individuals, provide comparison of current charges against standard or set labor category rates
- For facility in-kind match, provide comparison amount against current mortgage statements or rental rates
- For equipment and materials, it must be new and non-depreciated assets with established monetary values, with quotes for rental of similar equipment or vehicles at the locality.

The subrecipient shall provide the methodology and supporting documentation to value the item or services claimed for the match contribution. In doing so, the subrecipient should use the market conditions under which the subrecipient operates. It should not base the contribution valuation on another, similar type of asset or use market conditions from another geographic region that do not accurately reflect the conditions subrecipients face in their market. For example, in assessing the value to be placed on an equipment rental, the subrecipient must examine the fair market rental rates available in the same locality in which the equipment is located, not on the rates available in another region that bears no relation to the rental conditions in the subrecipient ‘s market.