

Program Monitoring Plan - Draft

BEAD: Benefit of the Bargain Round

August 2025





Purpose and Scope

The Kansas Office of Broadband Development (KOBD), within the Kansas Department of Commerce, is committed to ensuring the Broadband Equity, Access, and Deployment (BEAD) Program is conducted responsibly, transparently, and effectively. This Compliance and Monitoring Plan (the “Plan”) provides the framework for the administration of these funds to ensure subrecipients comply with applicable federal and state laws, while also delivering broadband services that meet the needs of unserved and underserved Kansans.

KOBD’s oversight activities are grounded in the requirements of the Infrastructure Investment and Jobs Act (IIJA), 2 C.F.R. Part 200 (Uniform Guidance), the BEAD Notice of Funding Opportunity (NOFO), and all applicable federal and state procurement and contracting rules. The plan also reflects the Kansas BEAD Subrecipient Subaward Agreement, program guidelines, and Kansas procurement statutes.

KOBD is responsible for the oversight of the BEAD program to assure compliance with applicable federal requirements and performance expectations. 2 CFR §200.332 requires pass through entities, such as KOBD, to monitor subrecipients to ensure federal funds are used in accordance with federal, state, and local requirements and the terms and conditions of the federal award.

As such, 2 CFR §200.332(b) requires KOBD to evaluate each subrecipient’s risk of noncompliance for the purpose of determining the appropriate level of subrecipient monitoring. Based on KOBD’s risk assessment of the subrecipient, KOBD will provide training and technical assistance to subrecipients.

The purpose of this Plan is to provide guidance to KOBD management, staff, and consultants on the subrecipient risk assessment, monitoring, and grant administration process as it relates to the BEAD program. This Plan is not intended to amend or replace the Subrecipient Subaward Agreement and should be understood in conjunction with the Subrecipient Subaward Agreement, and applicable regulations and requirements.

This Plan describes, at a high-level, how KOBD intends to systematically track, assess, and report on BEAD program activities by the subrecipients and project, as applicable. The monitoring process includes subrecipient engagement, identification and assessment of risks, systematic data collection and analysis, and reporting. The goal of subrecipient monitoring is to keep subrecipient projects on-track by meeting objectives, deadlines, and budgets in a compliant manner.

At its core, this Plan intends to:

- Promote accountability and mitigate waste, fraud, and abuse;
- Support timely, cost-effective broadband deployment;
- Ensure compliance with the BEAD Notice of Funding Opportunity (NOFO), BEAD IPFR, BEAD Policy and Waiver Notice, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200), Build America, Buy America (BABA), Davis-Bacon Act, KOBD Initial Proposal Volume 2, BEAD Restructuring Policy Notice, KOBD Final Proposal, and other statutory provisions; and,
- Provide clear, reliable reporting instructions to stakeholders including NTIA, the Kansas Governor’s Office, the Kansas Legislature, and the public.

Additionally, the benefits of effective compliance and monitoring include:

- Showcase project successes;
- Early identification and mitigation of potential waste, fraud, or abuse;
- Assurance the project is effectively meeting performance measures and milestones;
- Grant file organization and required record retention;
- Determination of tailored technical assistance and training; and,
- Determination and understanding of necessary process improvements and documentation of lessons learned for continuous improvement.

The Plan outlined below is a preliminary framework and is subject to revision. It is not intended to serve as a complete or final guide to KOBD's compliance and monitoring activities. This document provides the foundation for a comprehensive plan, which will be developed and refined after KOBD receives approval for subgrantee selection and awards, and may be updated as program requirements, federal guidance, or oversight needs changes.



Roles, Responsibilities, and Regulatory Requirements

KOBD will approach monitoring as a process-based set of quality and performance reviews, responses to documentation of activities, supported by financial and programmatic reporting, to provide reasonable assurance against noncompliance and underperformance in achieving BEAD program goals. As such, compliance and monitoring activities are distributed and assigned to facilitate ownership, consistency, a shared understanding, internal controls, and quality assurance.

Roles and Responsibilities

Key roles and responsibilities in the compliance and monitoring process include, but are not limited to:

- **Grantor and/or Funder:** National Telecommunications and Information Administration (NTIA)
- **Grantee:** Kansas Office of Broadband Development (KOBD)
- **Subrecipient(s):** An entity that receives a portion of federal (NTIA) or pass-through (KOBD) funds from a prime recipient to carry out part of a federal program. Unlike a contractor or vendor, a subrecipient is responsible for programmatic decision-making and must comply with applicable federal laws, regulations, and award terms.
- **Grant Management and Compliance Team:** KOBD management, staff, and consultants.

Regulations

The regulations set forth below form the basis of subrecipient monitoring for the BEAD program by KOBD. KOBD subrecipients must comply with all requirements contained in 42 U.S.C. §1702, the BEAD NOFO, the Department of Commerce Standard Terms and Conditions, the General Terms and Conditions for the BEAD Program, and the Specific Award Conditions (SAC) applicable to each individual award.

- [BEAD NOFO.pdf \(doc.gov\)](#) - The National Telecommunications and Information Administration

(NTIA), U.S. Department of Commerce issued a Notice of Funding Opportunity (NOFO) to describe the requirements for all grant awards under the BEAD program, authorized by the Infrastructure Investment and Jobs Act of 2021, Division F, Title I, Section 60102, Public Law 117-58, 135 Stat. 429 (November 15, 2021) (Infrastructure Act or Act) also known as the Bipartisan Infrastructure Law.

- [BEAD IPFR GTC 04 2024.pdf \(ntia.gov\)](#) – The General Terms and Conditions for the NTIA BEAD program requires KOBD to ensure each subrecipient, contractors, or subcontractors, comply with all applicable federal, state, and local laws and regulations, and all applicable terms and conditions of this award. KOBD is responsible for ensuring all contracts, including those necessary for design and construction of facilities, are implemented in compliance with the Terms and Conditions of this Award.
- [BEAD Policy and Waiver Notices | BroadbandUSA \(ntia.gov\)](#) – This site contains various policy notices and notices of waivers issued by NTIA in connection with the BEAD Program.
- [2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) – The government wide regulations issued by the United States Office of Management and Budget (OMB) that contain OMB Guidance for Federal Financial Assistance. Included in 2 CFR Part 200 is Subpart D - Subrecipient Monitoring and Management which provides the overall framework for subrecipient monitoring.
- [KOBD Initial Proposal Volume 2](#) – Volume 2 covers the specific actions the State will take to ensure that every single location in Kansas can receive high speed, affordable and reliable broadband access.
- [BEAD Restructuring Policy Notice](#) – The updated guidance issued by NTIA on June 6, 2025, for Eligible Entities to ensure American taxpayers obtain the greatest value for their broadband investment or “Benefit of the Bargain” under the BEAD Program.
- [KOBD Final Proposal](#) – The Final Proposal is the “final submission” for KOBD’s BEAD grant funding that describes how KOBD will ensure every resident has access to a reliable, affordable, and high-speed broadband connection.

In any case where language between two or more authorities appears inconsistent, the relevant authorities should be read and interpreted in a manner which emphasizes consistency across all relevant authorities. Where possible, KOBD will prioritize following the language contained in these authorities in the following order (from highest to lowest priority):

1. The Subrecipient Subaward Agreement and any amendments thereto.
2. The State of Kansas’ Contractual Provisions Attachment (Form DA-146a)
3. 47 U.S.C. § 1702.
4. The Specific Award Conditions applicable to Kansas’ BEAD award (20-20-B172).
5. The General Terms and Conditions for the BEAD Program.
6. BEAD Restructuring Policy Notice.
7. The BEAD NOFO.
8. The BEAD Letter of Credit (LOC) Waiver Guidance.
9. The U.S. Department of Commerce Standard Terms and Conditions.
10. Kansas’ BEAD Initial Proposal



Subrecipient Accountability

A subrecipient is an entity that receives a BEAD subaward for the purpose of carrying out part of the federal award. Subrecipients are subject to KOBD's compliance and monitoring oversight.

Subrecipients play an active role in fulfilling their contractual and statutory obligations to provide reasonable assurance its activities are compliant with the BEAD program through the following:

- Provide the required information and documentation to enable KOBD to assess the subrecipient's risk of noncompliance.
- Establish internal controls, including quality assurance/quality controls and self-monitoring procedures to reasonably ensure compliance.
- Cooperate with KOBD to carry out risk assessments, quality assurance/quality control, monitoring, and technical assistance initiatives.

Subrecipients are responsible for:

- Ensuring the subrecipient meets all deadlines in approved plans and specifications;
- Monitoring the progress of grant funded activities;
- Reporting progress;
- Providing for required construction permits and adequate construction inspection;
- Promptly paying costs incurred for grant funded activities;
- Monitoring contractors' and/or subrecipients' compliance with federal, state, and local requirements; and
- Constructing and maintaining in good condition throughout the construction period a sign or signs, at the site of grant funded activities in a conspicuous place indicating the federal government is participating in the activities.

The subaward creates a federal assistance relationship with the subrecipient. In addition to demonstrating how it expects to satisfy the monitoring and management requirements identified in 2 CFR Part 200 Subpart D, KOBD must include sufficient accountability procedures to ensure subrecipient compliance with all applicable BEAD requirements.

The Subrecipient Subaward Agreement establishes the framework and obligations for subrecipients that receive BEAD funding to deploy broadband infrastructure. A Subrecipient Subaward Agreement will be executed with each subrecipient that includes a comprehensive statement of the goals, responsibilities, objectives, and measurable outcomes of the specific services to be provided by the subrecipient. In addition, the Subrecipient Subaward Agreement specifies the reports and documentation required for verification of compliance.

KOBD shall include in all Subrecipient Subaward Agreements reasonable provisions allowing for recovery of funds in the event of a subrecipient's noncompliance with the BEAD requirements, including but not limited to failure to deploy network infrastructure in accordance with mandated deadlines. Subrecipient Subaward Agreements will include the following requirements:

1. Distribution of funding to subrecipient for all deployment projects on a milestone disbursement structure (which allows KOBD to withhold funds if the subrecipient fails to take actions to cure any defaulting action);

2. The inclusion of clawback provisions (i.e., provisions allowing recoupment of funds previously disbursed); and
3. Timely subgrantee reporting mandates.



Compliance, Risk Assessments, and Monitoring Process

The objective of monitoring and compliance is to determine if a subrecipient is carrying out its activities in a timely manner and in accordance with the Subrecipient Subaward Agreement. To accomplish this:

- KOBD will deploy an initial and ongoing risk-based targeted assessment, quality checks, controls, monitoring instances, and technical assistance to mitigate the risk of noncompliance and underperformance.
- KOBD will respond to deficiencies and noncompliance risks through progressive technical assistance.
- KOBD will lead standardized, risk-informed reviews of program activities and documentation to ensure compliance and identify opportunities for operational improvements.
- KOBD will implement and require all BEAD subrecipients to implement internal controls and quality assurance/quality control processes to ensure compliance. These internal controls will be reviewed as part of the regular monitoring reviews.
- KOBD will emphasize quality assurance, quality control, communication, and feedback among all partners to ensure performance and mitigate the risk of noncompliance.
- KOBD will conduct on-site reviews of deployment activities.

Risk Assessment Process

A comprehensive risk assessment is the foundation of effective grant oversight. Under 2 CFR §200.332(b), KOBD is required to evaluate the capacity of each subrecipient to manage federal funds before making an award, and to periodically reassess risk during the project period. As such, KOBD will evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the BEAD program subaward for purposes of determining the appropriate level of subrecipient monitoring. The following factors will be considered as part of the risk assessment process:

- Assess whether the subrecipient has new personnel or new or substantially changed systems.
- Assess the extent and results of federal awarding agency monitoring.
- Assess the subrecipient's prior experience with the same or similar awards.
- Assess the results of previous audits, including whether the subrecipient receives a Single Audit in accordance with 2 CFR 200 Subpart F.

The Compliance Team will use the risk assessment performed to assess and calculate the risk level applied to the risk-based monitoring approach for each subrecipient, including monitoring approach,

frequency, and requirements per [2 CFR 200.332\(e\)](#). See also [2 CFR 200.206\(b\)\(1\)](#) and [2 CFR 200.329\(a\)](#).

The risk assessment and monitoring process will be divided into two phases.

1. **Pre-Award (Provisional Award) Risk Assessment:** This initial risk assessment examines financial stability, organizational capacity, prior grant performance, audit history, and compliance with cybersecurity and supply chain standards. The pre-award risk assessment also evaluates readiness to meet NTIA financial assurance requirements. The pre-award risk assessment is performed prior to fully executing the subrecipient subaward agreement and may result in additional monitoring or compliance requirements being added to the subaward agreement, as applicable, for each subrecipient.
2. **Post-Award (Ongoing Monitoring) Risk Assessment:** KOBD will perform an ongoing risk assessment process, which may be triggered by changes in project scope, performance delays, or new compliance concerns based on subrecipient reporting.

Typical risk assessment considerations include, but are not limited to:

- Has the provisional awardee/subrecipient ever undertaken the proposed activity before, and what was the result?
- Does the provisional awardee/subrecipient have experience with the broadband service or other federal programs?
- What is the provisional awardee's/subrecipient's past performance regarding compliance with federal and state requirements associated with federal grants?
- Does the provisional awardee/subrecipient meet the criteria set forth in the BEAD NOFO, BEAD Restructuring Policy Notice, and by KOBD? If not, does the applicant have a plan for upgrading these aspects of their application?
- Does the provisional awardee/subrecipient have qualified staff for all the necessary functions associated with the proposed activity, and is there adequate staff time available? If not, how does the organization plan to fill these gaps in personnel?

Other areas of risk consideration may include:

- **Financial stability:** The provisional awardee's/subrecipient's financial stability based on review of financial statements;
- **Management systems and standards:** Quality of provisional awardee's/subrecipient's management systems and ability to meet required management standards;
- **History of Performance:** The provisional awardee's/subrecipient's record in managing federal awards, if it is a prior recipient of federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;
- **Audit Reports and Findings:** Reports and findings from audits performed under Federal Single Audit requirements or the reports and findings of any other available audits; and
- **Ability to Effectively Implement Requirements:** The provisional awardee's/subrecipient's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

KOBD classifies subrecipients into three categories, low, medium, or high risk based on initial and ongoing assessments. Risk level dictates the intensity of oversight:

- Low risk subrecipients may require only annual site visits and standard reporting.
- Medium risk recipients will receive semiannual site visits and more frequent check-ins.
- High risk recipients will be subject to quarterly visits, detailed desk reviews, and enhanced reporting requirements.

By tailoring monitoring intensity to risk, KOBD ensures resources are directed where they are most needed, while allowing high-performing subrecipients to operate efficiently.

Monitoring Plan

The Compliance Team is responsible for developing a monitoring plan tailored to each subrecipient based on the assessed level of risk, which may be adjusted during ongoing monitoring and risk assessments. Monitoring may include conference calls with subrecipients, ongoing financial and programmatic reporting, desk reviews of documentation submitted by subrecipients, and site visits for verification of deployment activities. Subrecipient monitoring will be informed by the assessed risk level identified above.

At a minimum, ongoing monitoring will include the following:

- **Communication with Subrecipient:** Frequent communication between the reviewer and the subrecipient is essential to ensure compliant and successful collaboration. Documentation of communication will be captured. This may include one-on-one technical assistance sessions/calls, program-wide office hours and webinars, and various email communications and email blasts to individual and all program subrecipients.
- **Disbursement Request Review:** To ensure proper use of BEAD funds, requests for funding release will be monitored for completeness, allowability, appropriateness and accuracy, as described in the Subrecipient Subaward Agreement. Documentation of reimbursement requests and review will be documented. See Disbursement Process section below for further detail on the reimbursement process.
- **Progress Reports:** Progress Reports will be required to document progress of work completed versus funds spent and planned. The frequency of reporting will be determined by the assessed risk level but will be no less than quarterly. Progress reports will be reviewed, as necessary, by a subject matter expert (e.g., technical providers) to determine progress.
- **Deployment Activity Review:** Monitoring of deployment activities for compliance with BEAD NOFO requirements related to Network Capabilities (i.e., Speed and Latency, Network Outages), Deployment Requirements (i.e., Deployment Deadlines and Benchmarks, Conduit Access Points), and Service Obligations (Affordability and Low-Cost Plans, Access to Service, Interconnection Requirements, Cybersecurity) will be performed periodically throughout the program period.
- **Risk Assessments – Addressing Specific Items of Interest:** To assist subrecipients in adhering to federal and programmatic guidelines, specific high-risk items related to the risk assessment may also be included for awareness in the monitoring plan.
- **Additional Reviews:** Additional monitoring may include desk reviews of staffing, policies and procedures that have changed; technical on-site visits to determine progress and/or verify

project completion.

- **Closeout Process:** Award closeout includes activities related to ensuring that the work was performed and properly billed. At the end of the award, the subrecipient is responsible for ensuring that all documentation related to project performance and financial obligations are received.

If documentation previously requested and not provided is required to support compliance monitoring, the subrecipient will be provided a curing period to submit outstanding documentation.

Disbursement Process

All awards under the BEAD program shall be a “Fixed Amount Subaward” as defined in 2 CFR § 200.201 where the major purpose of the subaward is a broadband infrastructure project and will be administered by KOBD pursuant to the Uniform Guidance Policy Notice (UGPN) and General Terms & Conditions for the NTIA BEAD Program Funds. The funds shall be distributed and disbursed based on Disbursement Milestones to the subrecipient for actual, reasonable, and necessary eligible costs related to the deployment of broadband services as described in the subrecipient’s winning application. All disbursement requests must be supported by complete, accurate, and verifiable documentation.

Award Funds shall be used solely for reimbursable costs incurred for implementation and operation of the Project, except for costs deemed ineligible, and for no other purpose. Reimbursable costs include (a) operating and maintenance costs incurred by subrecipient in connection with providing broadband services to End Users, and (b) to maintain project facilities in good working order to be able to offer Qualifying Broadband Service to End Users. The use of Award Funds will adhere to the terms of the subrecipient subaward agreement, and the restrictions on pre-implementation activities set forth by NTIA. KOBD may not reimburse subrecipient for costs that the Federal Grant Officer determines are not eligible for reimbursement pursuant to the Program.

Disbursement requests will be made to KOBD using the appropriate portal and format, including all required supporting documentation for verification and compliance review. Supporting documentation may include requests for program-specific general ledgers, budget to actual reporting, and other underlying support. If the subrecipient is unable to provide this documentation at the time of submission, the Compliance Team will work with the subrecipient to determine what can be provided in lieu; however, failure to provide the reimbursement request in the appropriate format with all required supporting documentation may delay compliance review and ultimately reimbursement processing.

Reporting Requirements

Consistent and accurate reporting allows KOBD to monitor progress, identify challenges, and ensure compliance with both state and federal requirements.

Subrecipients are required to submit:

- **Project Performance Reports:** Pursuant to 47 U.S.C. § 1702(h)(4)(C), KOBD shall ensure each subrecipient deploys its funded networks and begins providing qualifying broadband service to each end user that desires broadband service not later than four (4) years after the date on which the subrecipient receives the subaward for the applicable network. KOBD shall establish interim buildout milestones, enforceable as conditions of the subaward, sufficient to ensure

Subrecipients are making reasonable progress toward meeting the four-year deployment deadline. The Compliance Team will monitor project performance against the established metrics and activity goals as outlined in the Subrecipient Subaward Agreement. This review will include specific reporting requirements, objectives, and outcomes.

- **Deployment Obligation Reporting:** KOBD will monitor subrecipient deployment activities to ensure compliance with applicable deployment obligations. These obligations include the following.
 - *Network Capabilities: Speed and Latency*
 - The BEAD NOFO requires subrecipients to deliver speeds of not less than 100 Mbps for downloads and 20 Mbps for uploads for broadband serviceable locations; speeds of not less than 1 Gigabit symmetrical for CAls; and 95 percent of latency measurements during testing windows to fall at or below 100 milliseconds round trip time. The Compliance Team will review performance testing conducted by the subrecipient to verify compliance with this requirement. The Compliance Team may conduct additional testing at its discretion.
 - *Network Capabilities: Network Outages*
 - Subrecipients must have protocols in place to ensure network outages do not exceed, on average, 48 hours over any 365-day period except in the case of natural disasters or other force majeure occurrence. Subrecipients should have a comprehensive outage management plan that includes preventive maintenance schedules, quick response teams for outage resolution, and clear communication channels for informing customers about outages and expected restoration times. The Compliance Team will review outage plans as part of the overall monitoring process.
 - *Deployment Deadlines and Benchmarks*
 - The Compliance Team will monitor subrecipient performance against interim build milestones (i.e., miles of fiber deployed per unit of time) included in the Subrecipient Subaward Agreement as well as project timelines provided by the subrecipient. Benchmarks may include miles of fiber deployed per unit of time.
 - *Conduit Access Points*
 - Underground network deployments must include excess conduit capacity and regular conduit access points for interconnection by others. Subrecipients will be monitored for compliance with the requirement to provide conduit access points as required by the Subrecipient Subaward Agreement.
 - *Service Obligations*
 - Subrecipients are required to comply with service obligations included in the NOFO. These obligations include a Low-cost Plan, Consumer Protection, Access to Service, Public Notice, Interconnection Requirements and Wholesale Access, and Cybersecurity and Supply Chain Risk Management. The Compliance Team will monitor subrecipients for compliance with these requirements.
 - *Inspection and Testing of Materials*
 - The Compliance Team will monitor subrecipients to ensure all materials and equipment

used in the completion of the work are subject to adequate inspection and testing in accordance with accepted standards. Materials of construction, particularly those upon which the strength and durability of any structure may depend, shall be subject to inspection and testing to establish conformance with specifications and suitability for intended uses. KOBD will ensure that documentation of the same is cataloged and retained.

- **Final Closeout Report:** Subrecipients are required to submit a final close out report within 30 days of project completion, certifying that all contractual and program obligations have been fulfilled. This includes all requirements identified above related to project performance, deployment obligations, and final budget to actual reporting.
- **Post-Closeout Reports:** At six and twelve months, documenting subscriber counts and speed test data to verify performance commitments.

Reporting Process

All reports must be submitted through the KOBD grants management portal by the deadlines outlined in the subrecipient subaward agreement. Reports must include all required documentation as outlined above. Failure to provide timely, complete, and accurate reports may result in delayed reimbursements, corrective action requirements, or enforcement measures.

Financial Management

Sound financial management is critical to ensure BEAD funds are used as intended. Subrecipients must implement systems that produce accurate, current, and complete financial reports; safeguard assets; and prevent unauthorized use of funds.

KOBD requires subrecipients follow Generally Accepted Accounting Principles (GAAP) or another recognized accounting framework. They must maintain separate accounting for BEAD project funds to clearly distinguish these expenditures from other operations. Internal controls, such as segregation of duties, documented approval processes, and regular budget-to-actual comparisons are essential.

The Compliance Team is responsible for ongoing subrecipient monitoring and assessment of the subrecipient's capacity to meet the requirements of the Subrecipient Subaward Agreement. Subrecipients must demonstrate they have and will continue to have sufficient financial resources to cover eligible costs for the BEAD project. In addition, subrecipients must maintain financial management systems that record and document compliance, permit the preparation of reports required for BEAD reporting, and facilitate accounting of BEAD funds per terms and conditions of the award.

Per 2 CFR 200.302, each subrecipient's financial management system must provide for the following:

- Identification, in its accounts, of all federal awards received and expended and the federal programs under which they were received. Federal program and federal award identification must include, as applicable, the Assistance Listings title and number, the federal award identification number and year, the name of the federal agency, and the name of the pass-through entity, if any.
- Accurate, current, and complete disclosure of the financial results for each federal award or program under the reporting requirements outlined in 2 CFR 200.328 and 2 CFR 200.329.
- Records that adequately identify the source and application of funds for federally funded activities. These records must contain information about federal awards, authorizations, financial obligations,

unobligated balances, assets, expenditures, income, and interest and be supported by source documentation.

- Effective control over and accountability for all funds, property, and other assets. The non-federal entity must adequately safeguard all assets and ensure that they are used solely for authorized purposes. See 2 CFR 200.303.
- Comparison of expenditures with budget amounts for each Federal award.
- Written procedures to implement the requirements of 2 CFR 200.305.
- Written procedures for determining the allowability of costs under 2 CFR 200 Subpart E and the terms and conditions of the Federal award.

Monitoring will occur through a combination of ongoing reporting, desk reviews, and site visits.

Desk Reviews

Desk reviews are in-depth evaluations of subrecipient spending, internal controls, and programmatic compliance. They are conducted on a risk-based schedule, with higher-risk subrecipients subject to more frequent and detailed reviews. Risk factors include award size, prior monitoring findings, fiscal stability, project complexity, and reporting concerns.

For each desk review, the Compliance Team will select a sample of BEAD program expenditures using a risk-based methodology outlined in the monitoring plan. Subrecipients must provide supporting documentation for the selected expenditures, such as purchase orders, invoices, and timesheets. The Compliance Team will reconcile this documentation to the approved budget and project scope. Any unapproved, ineligible, or unallowable costs will be classified as questioned costs and may be subject to clawback.

The desk review also assesses the effectiveness of internal controls related to the management and expenditure of grant funds.

Site Visits

KOBD conducts site visits to verify project status, confirm adherence to technical specifications, and assess compliance with contractual and regulatory requirements. Like desk reviews, site visits are scheduled according to subrecipient risk level.

During a site visit, KOBD staff may conduct field inspections, review on-site records, and interview project staff. For example, on a quarterly visit to a high-risk project in western Kansas, staff may walk the fiber route, review invoices and work orders, and discuss construction timelines with the project manager.

Prevention of Waste, Fraud, and Abuse

The Compliance Team will monitor award activities for common fraud schemes, including but not limited to:

- False claims for materials and labor;
- Bribes related to the acquisition of materials and labor;
- Product substitution;
- Mismatching or mislabeling on products and materials; and

- Time and materials overcharging.

Desk Review and/or Site Visit Outcomes Reporting

After a desk review and/or site visit is completed, including obtaining any follow-up documentation requests, the Compliance Team will draft a desk review/site visit outcomes monitoring report/memo for each subrecipient for each monitoring performed. The outcomes report will identify any areas of noncompliance or deficiencies as findings or concerns, and include the following information:

- **Monitoring Summary:** A summary of the grant award that was reviewed and process followed to reach the conclusion drawn.
- **Findings:** The report will describe the finding, the recommended corrective action(s), the deadline for corrective action implementation, and potential consequences of the corrective action not being taken. Each finding should include the following:
 - *Condition:* A list, description, and location of what was determined incorrect or wrong during the monitoring (i.e., in violation of requirements - where possible, descriptions and documentation of specific dates, documents, payments, costs, or activities associated with each finding).
 - *Criteria:* The specific regulatory, statutory, or programmatic citation(s) of the requirement(s) the monitoring entity has violated.
 - *Cause:* An explanation of why the condition (issue) occurred.
 - *Effect:* A description of what happened because of the condition (issue) or what non-compliance scenario could happen.
 - *Corrective Action(s):* Recommendations by KOBD that identify the action(s) needed to resolve the problem (condition/issue). Unless inapplicable or there are extenuating circumstances, this should include any necessary documentation and a deadline for completion. The report must sufficiently explain any corrective actions to enable the monitored entity to understand the requirements of future compliance.
- **Concern:** A concern is a deficiency in administrative or program performance that is not tied to a statutory, regulatory, or program requirement, which does not rise to the level of a finding. A subrecipient's failure to address the concern may lead to a finding that requires formal corrective action and other remedies. Where a concern is identified, the following should be documented:
 - *Condition:* A list, description, and location of the area of concern. Due to the nature of concerns, KOBD may describe concerns more broadly than findings. Still, KOBD must identify the deficiency and any conditions contributing to the issue. If necessary, the report can reference specific dates, documents, payments, costs, or activities associated with the concern;
 - *Cause:* An explanation of why the condition (issue) occurred and the condition that contributed to the area of concern;
 - *Effect:* A description of what happened because of the condition (issue) or what further deficiency could happen; and
 - *Recommendation(s):* Where applicable, a recommended or suggested list of steps that the monitored entity may take to address concerns, including a timeline/deadline for

completion. Note that corrective actions are not required for concerns.

- **Subrecipient Technical Assistance:** If required, the report will include information on available training and technical assistance to strengthen a subrecipient's performance.
- **Areas of Merit:** KOBD will include areas of merit in which the subrecipient exhibited exemplary performance or outcomes. KOBD will note and describe areas of merit in the report to inform best practices and case studies for future projects.

Upon issuance of the monitoring report, the subrecipient shall be afforded the opportunity to provide a written response to any findings and/or concerns identified. Subrecipients are required to submit their response within the prescribed timeline set forth in the report. Failure to respond within the specified timeframe may result in a determination of non-compliance.

The subrecipient's response must either:

1. Concur with the corrective actions identified in the monitoring report and provide a plan and timeline for implementation, or
2. Propose alternative corrective actions, which must be submitted in writing and formally approved by KOBD prior to implementation.

The Compliance Team will review the subrecipient's response and supporting documentation to verify that corrective actions are sufficient, feasible, and consistent with applicable federal and state requirements.

Once all findings and concerns have been satisfactorily resolved—either through corrective action or an approved corrective action plan—the monitoring event will undergo a formal quality assurance review. Closure of the monitoring event will require written approval by KOBD, with documentation retained in the official monitoring file as evidence of resolution.

Remedies for Noncompliance/Nonperformance (“Default”)

If a Subrecipient is in default under any provision of the Subrecipient Subaward Agreement and fails to cure such breach, KOBD may exercise any or all the remedies available to it, in its discretion, concurrently or consecutively, as described in 2 CFR 200.339 and the NOFO. These remedies are in addition to, and not in lieu of, those remedies permitted in or required by the General Terms and Conditions for the BEAD program.

KOBD and NTIA may enforce applicable rules and laws by imposing penalties for default. Specific examples of default include, but are not limited to:

- Failure to comply with the low-cost broadband service option requirement set out in Section 60102(h)(4)(B) of the Infrastructure Act;
- Failure to meet other federal or Kansas statutory obligations;
- Wasteful, fraudulent, or abusive expenditure of award funds;
- Failure to provide qualifying broadband service at the minimum advertised connection speed and cost at the advertised rate as set forth in the Subrecipient Subaward Agreement;
- The failure by Subrecipient to apply the Award in accordance with the Subrecipient Subaward Agreement and the IPv2 without the prior written consent of KOBD;
- The misrepresentation by Subrecipient of any information in their BEAD application, in any

report submitted to KOBD, subsequent information submitted to KOBD, information released to the public or other third party related to the provisions of this program.

- The failure of Subrecipient to timely provide reports;
- The failure of Subrecipient to complete the proposed project as described in their BEAD application.

Such penalties include, but are not limited to, imposition of additional award conditions, payment suspension, award suspension, Award termination, de-obligation/clawback of funds, and debarment of organizations and/or personnel. Specific examples of remedies for default include, but are not limited to:

- **Additional Conditions:** Penalties for non-performance or default by Subrecipients may include the imposition of additional conditions, as described in 2 CFR 200.208.
- **Remedies when Additional Conditions are Insufficient:** If KOBD or NTIA determine that non-performance or default cannot be remedied by imposing additional conditions, KOBD or NTIA may take one or more of the following actions, as appropriate in the circumstances:
 - Temporarily withhold cash payments pending correction of the deficiency by Subrecipient or more severe enforcement action by KOBD or NTIA.
 - Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
 - Suspend or terminate the subaward in whole or in part.
 - Recommend the initiation of suspension or debarment proceedings by NTIA or U.S. Department of Commerce as authorized under 2 CFR part 180 and DOC regulations.
 - Withhold further federal funds (i.e., new awards or continuation funding).
 - Pursue other legally available remedies.
- **Clawback:** If KOBD or NTIA determine the Subrecipient has failed to comply with any material requirement under applicable law or the Subrecipient Subaward Agreement and the Subrecipient cannot or will not remedy such failure, KOBD may require Subrecipient to return up to the entire amount of the grant funds to KOBD subject to the authority of the Assistant Secretary to direct KOBD to clawback funds for material non-performance or Default.
- **Reversion:** If a Subrecipient fails to perform and fails to return the full forfeited amount required pursuant to this Section, the ownership and use of the broadband infrastructure funded by the Program shall revert to the Kansas Department of Commerce.
- **Make Whole:** If Subrecipient fails to complete the proposed project in a material respect, Subrecipient, at the discretion of KOBD, may be required to reimburse KOBD the actual cost to finish the project.

Procurement Requirements

KOBD requires subrecipients to follow both federal procurement standards as set forth in 2 CFR §200.217, §200.321-200.323, and §200.327 and applicable Kansas statutes (KSA § 75-37,102 et seq.), as well as any local procurement codes. Most of the other procurement standards, 2 CFR §200.318-320 and §200.324-326, are not required per December 2024 NTIA Policy Notice. These rules exist to ensure

fair competition, cost reasonableness, and integrity in contracting.

Subrecipients must use competitive procurement methods unless a valid, documented exception applies, such as sole source or emergency procurement. Even in cases of small purchases, some level of competition must be sought to an extent practicable.

All costs charged to the BEAD program must be necessary, reasonable, allowable, and allocable to the approved project. Procurement documentation must demonstrate the method used, the rationale for contractor selection, the basis for pricing, and evidence that costs are reasonable in relation to market conditions.

For example, if a county is procuring fiber-optic cable for a BEAD-funded build, the procurement record should include the solicitation, bids received, bid evaluation scoring, selection justification, and cost analysis. Failure to maintain such documentation may result in disallowed costs.

Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms (2 CFR §200.321)

Subrecipients are required to make every effort that minority businesses, women's business enterprises, and labor surplus area firms are used, when possible. As such, the Compliance Team will monitor these efforts through review of subrecipient financial and programmatic reporting.

Domestic Preference for Procurements (Buy America, Build America (BABA))

Subrecipients must comply with BABA which established domestic content procurement preference requirements for Federal assistance projects for infrastructure, including the BEAD Program, consistent with Section 70912(2) of the Infrastructure Investment and Jobs Act (IIJA). As such, subrecipients must comply with BABA consistent with applicable legal authorities, such as the IIJA, Executive Order 14005, 2 CFR Part 184, OMB Memo M-24-02, and any applicable waivers issued by the Department of Commerce. The final version of the BABA waiver for the BEAD program, along with the FAQs on the waiver, are currently available on the Department of Commerce website. See Build America Buy America | U.S. Department of Commerce, <https://www.commerce.gov/oam/build-america-buy-america> (last visited Mar. 25, 2025). NTIA issued the waiver pursuant to authority given to it to waive the BABA requirements in the IIJA, and consistent with requirements included in an OMB memorandum providing implementation guidance on application of Buy America preference in federal financial assistance programs for infrastructure (OMB M-24-02) and President Biden's Executive Order 14005.

The Compliance Team is responsible for monitoring subrecipient compliance with Domestic Preference requirements, which will be monitored during subrecipient financial and programmatic reporting, and desk review and site visits, as applicable.

Prohibition on Use of Covered Communications Equipment or Services (2 CFR §200.216)

Subrecipients (including contractors and subcontractors of Subrecipients) may not use BEAD funds (including non-Federal cost share) to purchase or support any communications equipment or service covered by either the Secure and Trusted Communications Networks Act of 2019 (47 USC 1608) or 2 CFR 200.216 (Prohibition on certain telecommunications and video surveillance services or equipment). The Compliance Team will monitor subrecipients for compliance with this requirement

through ongoing subrecipient monitoring.



Environmental and Historic Preservation (EHP) Review

Subrecipients will be monitored for compliance with the requirements of all applicable Federal, state, and local environmental laws, regulations, and standards including those set forth in the Subrecipient Subaward Agreement. This includes ensuring a subrecipient does not initiate any BEAD-funded implementation activities, including site preparation, demolition, construction, ground disturbance, fixed installation, or any other implementation activities prior to all EHP requirements being met.



Signage and Public Acknowledgement

The subrecipient is required to ensure all constructed and maintaining in good condition appropriate signage for any sites utilizing BEAD grant funds. Signs must be in a conspicuous place indicated that the Federal Government is participating in activities. The Compliance Team is responsible for ensuring these requirements are met through periodic site visits.



Prevailing Wage

For projects over \$5,000,000, the Compliance Team will monitor subrecipients to ensure compliance with the requirement that all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed.



Audit Requirements

All subrecipients must comply with the audit requirements in 2 CFR 200 Subpart F and any applicable Kansas audit provisions.

- Subrecipients expending less than \$1,000,000 in federal funds during the fiscal year may still be required to submit financial statements.
- Subrecipients expending \$1,000,000 or more in federal funds must undergo a Single Audit as required by 2 CFR 200 Subpart F.
- Additional state audits may be required depending on the funding source or program.



Record Retention

Subrecipients must retain all financial and programmatic records for at least five years following final reporting and must make these records available to KOBD, NTIA, the U.S. Department of Commerce, and other authorized oversight entities.



Special Award Conditions (SAC) Requirements

Specific Award Conditions (SACs) are additional, binding requirements imposed by NTIA that apply to recipients and subrecipients. These may include financial assurance requirements, deployment milestones, enhanced reporting obligations, or technical specifications.

For example, SAC might require quarterly submission of updated GIS shapefiles documenting newly served locations, or periodic renewal of a performance bond to ensure project completion.



