

Broadband Acceleration Grant (BAG) In-Kind Match Policy and Guidance Recommendations

Please note that the included list of in-kind match items is not exhaustive but is intended to provide additional detail to help applicants better tailor their applications.

KANSAS
COMMERCE

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I. Purpose and Authority

Purpose

This guidance establishes standardized criteria for evaluating in-kind match under the Broadband Acceleration Grant (BAG) Program. Its purpose is to expand participation, leverage state investment, and accelerate broadband deployment while ensuring accountability, transparency, and program integrity.

Policy Authority

The Broadband Acceleration Grant (BAG) Program is funded with State of Kansas appropriations. The Kansas Office of Broadband Development (KOBD), in coordination with the Kansas Department of Commerce, establishes match eligibility, valuation, and documentation requirements for BAG awards.

KOBD may reference federal Uniform Guidance (2 CFR Part 200) as a framework for assessing reasonableness; however, BAG Program Guidelines and BAG Match Policy govern in all cases.

II. Definitions

Match (Cost Share)

The portion of total project costs not funded by BAG Program grant funds. Match contributions must be applied directly to the approved project and may not be allocated to other program activities or unrelated business operations.

In-Kind Match

In-kind match consists of non-cash contributions of property, goods, or services provided in lieu of required cash match. Eligible in-kind contributions may include donated, discounted, or waived costs that directly support the construction, and deployment of broadband infrastructure.

All in-kind contributions must be allowable, allocable, and necessary to the project, and may be provided by the applicant or a third party. KOBD retains sole discretion to approve, conditionally approve, or disallow proposed in-kind contributions based on alignment with program objectives, sufficiency of documentation, and overall risk considerations.

Direct Costs

Costs that can be specifically identified and directly attributed to the design, engineering, construction, installation, testing, and activation of the broadband project. Only direct costs are eligible to be counted as in-kind match.

Indirect Costs

Costs incurred for common or joint objectives that are not readily assignable to a specific project such as rent, utilities, administrative salaries. Indirect costs are not allowable as in-kind match.

III. Relationship to BAG Program Guidelines

Alignment with Eligible and Ineligible Costs

In-kind match contributions must align with BAG's definition of eligible, construction-related project expenses and must not conflict with published ineligible cost categories.

In-kind match is intended to represent the non-cash equivalent of otherwise allowable project costs and is generally limited to expenses directly supporting construction-phase project execution and subscriber installation. Eligible categories may include:

- Physical Deployment
 - Construction
 - Engineering*
 - Materials
 - Equipment
- Subscriber Installation
- Testing and Commissioning
- Permitting and Required Approvals
- Network Activation

In general, eligible in-kind match items must directly support construction-phase project execution and subscriber installation of broadband infrastructure. Costs that primarily support general business operations, overhead, or ongoing activities outside the scope of the project are not allowable as in-kind match.

Certain project administration activities that are directly necessary to execute construction (i.e., project management) may be considered eligible on a case-by-case basis with prior written approval from KOBD.

* Preliminary design and engineering work completed prior to award (i.e., during the grant application phase) is not reimbursable. However, such work may be eligible as in-kind match if adequately documented and directly attributable to the proposed project.

IV. Allowable In-Kind Match Categories

A. Construction Labor and Technical Services

Allowable Contributions

- Network engineers supporting construction and deployment
- Fiber splicers and installation technicians
- Tower and wireless installation crews
- Network testing and activation staff
- Construction-phase project managers
- Subscriber installation coordination
- Owner-operator labor directly performing construction or installation work
- Drivers transporting project materials and equipment
- Field inspectors and quality assurance staff

Limitations

- Administrative labor must be directly tied to construction execution
- Budget preparation, accounting, payroll, and compliance administration are not allowable

B. Materials, Equipment, and Technology

Allowable Contributions

- Routers, switches, modems, hubs
- Fiber and wireless transmission devices
- Signal amplifiers and network interface devices
- Testing and monitoring tools
- Cabling, conduits, cabinets, splice trays, poles
- Servers and diagnostic equipment
- Network design software
- GIS and mapping systems

Expanded Flexibility

- Donated equipment
- Vendor-discounted equipment
- Applicant-owned equipment used on the project
- Partially utilized equipment valued on a prorated basis
- Software for network monitoring and provisioning including cyber security software

In-kind match is limited to new equipment and materials. Applicant-owned equipment may be considered as an exception, subject to KOBD review, valuation standards, and documentation requirements.

C. Real Property and Access

Allowable Contributions

- Land used for towers, huts, or cable routing
- Rights-of-way and easements
- Existing poles and utility structures
- Temporary construction access routes
- Equipment shelters and vaults
- Pre-installed conduit

Expanded Flexibility

- Temporary access rights
- Donated easements
- Waived or reduced pole attachment fees
- Reduced right-of-way charges
- Dark fiber necessary for interconnection or backhaul

KOBD will prioritize project-specific and temporary property interests that are necessary for construction, particularly those directly supporting project execution and limited to the period of performance.

D. Vehicles and Heavy Construction Equipment

Allowable Contributions

- Bucket trucks
- Digger Derricks
- Construction vehicles
- Trailers
- Trenchers
- Cable plows
- Directional drilling machines
- Boring machines
- Excavators
- Backhoes
- Bobcats
- Cranes and lifts

- Cable pullers/blowers

Expanded Flexibility

- Applicant-owned vehicles and equipment
- Prorated usage valuation
- Market-equivalent rental rates supported by benchmarks

E. Professional and Regulatory Services

Construction-Phase Engineering and Surveying

Allowable Contributions

- Construction staking
- As-built documentation
- Field inspection
- Turn-up validation
- Construction testing
- Utility locating
- Topographic surveying

Not Allowable:

- Feasibility studies
- Conceptual design
- Preliminary planning packages

Legal and Permitting Services

Allowable Contributions

- Easement acquisition
- Right-of-way negotiation
- Permitting support
- Zoning coordination
- Utility coordination

Not Allowable:

- Fundraising
- Lobbying
- Intellectual property services
- Public relations

F. Facilities and Temporary Space

Allowable Contributions

- Warehousing for project materials
- Equipment staging areas
- Temporary construction offices
- Network activation shelters
- Storage facilities for deployment equipment

Not Allowable:

- General administrative office space
- Corporate headquarters space
- Utilities unrelated to staging or testing
- Janitorial services

G. Discounts, Waivers, and In-Kind Credits

Allowable Contributions

The following may qualify as in-kind match when adequately documented:

- Waived or reduced construction permits
- Waived inspection fees
- Reduced ROW charges
- Donated make-ready services
- Vendor equipment or material discounts
- Utility coordination fee waivers

Eligible contributions must demonstrably result in a direct and measurable reduction of project construction costs and be supported by appropriate documentation.

V. Valuation and Documentation Standards

A. Valuation Methods

Category	Method
Labor	Actual wage or standardized rate
Equipment and Materials	Fair market value or depreciated book value
Property	Appraisal or market comparables
Discounts	Invoice comparison
Rentals	Market quotes

All valuations must be reasonable, verifiable, and supported by sufficient documentation to substantiate the claimed value, as determined by KOBD.

B. Basis of Valuations

Labor

Employee or Volunteer Services:

Labor costs may be considered as in-kind match when they meet the following criteria:

- (i) Costs are incurred specifically for the project, and
- (ii) Individuals performing the work can be clearly identified as directly benefiting the project.

If a direct cost benefits two or more projects or activities in proportions that can be readily determined without undue effort, the cost must be allocated based on the proportional benefit received. When proportions cannot be readily determined due to the interrelated nature of the work, costs must be allocated on a reasonable, consistently applied, and well-documented basis.

Employee Services:

- Valued at the employee's hourly wage, including fringe benefits such as healthcare or retirement contributions if the time is directly attributable to the project.
- Time must be supported by appropriate documentation (i.e., timesheets or equivalent records).
- Fringe benefits, paid leave, and general personnel overhead are not allowable as in-kind unless specifically authorized in writing by KOBD.

Volunteer Services:

- Valued at the prevailing market rate for similar service based on the individual's qualifications and local labor market conditions.
- Valuation must be supported by appropriate documentation (i.e., rate justification, comparable wage data).

Project Equipment and Materials

Equipment and materials may be counted as in-kind match when directly used for the project and supported by appropriate valuation and documentation.

Valuation Methods

- Actual Cost (Net Book Value):
 - Equipment: Valued based on the depreciated (net book) value in the organization's financial records at the time of use.
 - Materials: Valued based on actual purchase costs supported by receipts or invoices.
- Fair Market Value (FMV):
 - Equipment: Determined based on the current market value of comparable equipment in similar condition, supported by market analysis, third-party listings, or appraisals.
 - Materials: Supported by vendor quotes, catalog pricing, or invoices for comparable or like materials.

Discounts

Discounts provided by the manufacturers or suppliers for equipment or materials may be considered in-kind match. The value of the discount must be calculated against the documented market ("street") price of the item, not the manufacturer's suggested retail price (MSRP).

- Discounted or Donated Equipment: Discounts, waived charges, or donated equipment provided by vendors or partners may be counted as in-kind match at the documented value of the discount or donation. Valuation must be verified by supporting documentation (i.e., invoices, quotes, or pricing comparisons).
- Partial Use of Equipment: Equipment used for both project and non-project purposes may be valued on a prorated basis, based on documented project-specific usage.

Requirements and Limitations

- All discounts and donations must be bona fide and not contingent on future business or other non-project considerations.

- Valuations must be reasonable, verifiable, and consistent with prevailing market rates.
- KOBD reserves the right to review, adjust, or disallow claimed discount values that are not adequately supported.

Property

Real property contributions may be considered as in-kind match when directly necessary for project construction and deployment.

- Fair Market Value (FMV): Property must be valued at current fair market value, as determined by a qualified, independent appraiser based on comparable sales, location, existing improvements, and market conditions.
- Valuation Considerations: Any proposed valuation above standard comparable market value must be supported by clear, objective evidence. Justifications may include documented specialized use directly tied to the project (e.g., the land's strategic location for network deployment or pre-existing infrastructure). KOBD reserves the right to accept, adjust, or reject such valuations.
- Waived or Reduced Fees: Waived or reduced right-of-way (ROW) and pole attachment fees may be considered as in-kind match when directly attributable to the project and supported by appropriate documentation.

Requirements and Limitation

- Property must be necessary, allocable, and directly used for project construction or deployment.
- Valuations must be reasonable, verifiable, and supported by sufficient documentation.
- KOBD retains sole discretion to determine the acceptability and value of property contributions.

Rentals

Rental costs may be considered as in-kind match when directly attributable to project construction and supported by appropriate documentation.

- Daily Rental Rates: Rental equipment or vehicle costs must be valued at the lower of:
 - The average market rate for similar equipment or vehicles, adjusted for regional factors such as demand and availability, or
 - The actual invoiced rental rate.

Requirements and Limitations

- Rental costs must be necessary, allocable, and directly used for project construction activities.
- Valuations must be reasonable, verifiable, and supported by rental agreements, invoices, or comparable market rate data.
- KOBD reserves the right to review and adjust rental valuations that exceed reasonable market rates.

C. Documentation Requirements

Subrecipients must maintain:

- Timesheets and labor logs
- Equipment and vehicle usage logs
- Invoices and vendor quotes
- Donation letters
- Appraisals or market comparables
- Certification of non-federal source

Record Retention: Documentation supporting in-kind match contributions must substantiate both value and allocability. Consistent with record retention principles reflected in 2 CFR 200.334, such documentation must be retained for a minimum of five (5) years following final payment or project closeout and must be made available upon request for audit, monitoring, or review.

VI. Limits, Exclusions, and Oversight

A. Program Limits

- In-kind match may not exceed 99% of required applicant match
- All in-kind must be incurred during the project period of performance and may be included as in-kind match.

B. Not Allowable as In-Kind Match

The following are not eligible:

- General operating expenses
- Maintenance costs
- Indirect labor (fringe, PTO, travel, meals, lodging)
- Marketing and outreach
- Fundraising activities
- Broadband adoption programs

- Debt service or interest

C. Review and Approval Authority

KOBD retains discretion to:

- Approve
- Conditionally approve
- Modify
- Disallow

Any proposed in-kind contribution based on documentation, program alignment, and risk considerations.

Applicants are encouraged to seek pre-approval for non-standard match sources.

VII. Policy Rationale

Expanded in-kind match categories are intended to:

- Increase applicant participation
- Improve rural project feasibility
- Leverage state investment
- Accelerate deployment
- Support small and community-based providers
- Maintain fiscal stewardship

This policy balances flexibility with accountability through defined categories, documentation standards, caps, and KOBD oversight.