

# Nebraska Capital Projects Fund (CPF) Reimbursement Request Guide

## Contents

I.	Introduction .....	3
II.	Overview of CPF Reimbursement Process .....	4
III.	Overview of Basic Considerations of Cost Principles .....	4
IV.	Project Completion.....	5
V.	Reimbursement Basis.....	6
VI.	Key Steps in the Reimbursement Process:.....	7
a.	Organize Relevant Documentation.....	7
b.	Prepare a Reimbursement Request Package:.....	7
c.	Review for Accuracy.....	7
d.	Submit the Request.....	7
e.	Await Confirmation and Processing .....	7
f.	Maintain Records.....	8
g.	Audit Requirement:.....	8
h.	Contact for Further Assistance:.....	8
VII.	Completing the Nebraska Broadband Program Reimbursement Template .....	8
a.	Worksheet “1. Program Expenses”: .....	8
b.	Worksheet “2. Labor Reporting”: .....	10
c.	Timesheet Example:.....	11
VIII.	Additional Guidance .....	11
a.	In-Kind Contributions .....	11
b.	Direct Cost Allocation .....	13
c.	Documenting Direct Internal Labor .....	13
d.	In-house Construction Reporting.....	13
e.	Affiliated Company Billing .....	13
f.	Inter-Company Billing.....	14
g.	Ineligible Uses/Activities .....	14
IX.	Final Close-Out Report.....	15
X.	Stay Informed.....	15



## I. Introduction

We are pleased to offer this Nebraska Capital Projects Fund (CPF) Reimbursement Request Guide. This guide is provided as a resource to assist Subrecipients in navigating the process of submitting reimbursement requests for the CPF.

The Capital Projects Fund, as administered by the Department of Treasury, requires that the Recipient<sup>1</sup> (the Nebraska Public Service Commission, or “Commission”) collect certain data from the Subrecipients awarded funds through the grant program. The Commission is “required to monitor and oversee Subrecipients’ use of funds and other activities related to the award to ensure that Subrecipients comply with the applicable statutory and regulatory requirements, and the terms and conditions of the award pursuant to 2 CFR 200.332.”<sup>2</sup> Subrecipients must be compliant with all federal and state requirements and utilize the grant funding only for the purpose in which it was awarded said funding. Subrecipients are reminded that they are subject to state and/or federal audit for five years following close-out of the grant award.

The [Nebraska Broadband Program Reimbursement](#) template and this Reimbursement Guide are intended to assist Subrecipients in meeting all federal and state requirements for disbursement of grant funding. The reimbursement process is designed to not only ensure that the Recipient is meeting its federal obligations of monitoring Subrecipients but also to assist Subrecipients by requiring submission of the same data that would be required to be produced in the case of an audit (whether of the Commission or the project/applicant).

We recognize that accounting practices may differ from company to company due to a variety of factors such as the company’s size, internal processes, and systems, and that these inherent differences can lead to variations in how expenses are categorized, documented, and reported internally. For purposes of the CPF, Subrecipients will be required to provide a true and accurate copy of Vendor purchase orders, work orders, invoices, and proof of payment, as required by federal regulations. The Commission reserves the right to inspect any and all contracts related to CPF activities and may also request additional documentation necessary to verify claimed costs.

Subrecipients are encouraged to review the [CPF Subaward Attestation and Agreement](#) and all requirements outlined therein to ensure that all contracts engaged or utilized for purposes of the CPF are compliant with federal requirements. Subrecipients must adhere to program requirements and provide accurate representation of costs that are allowable, reasonable, allocable, and adequately documented. This guide serves as a resource to clarify aspects of the reimbursement process and does not modify any federal or state laws or program stipulations, including those specified in Commission orders and documents such as the [CPF Subaward Attestation and Agreement](#).

The following is a list of important documents for CPF-1 and CPF-2 grant rounds for the close-out process:

### CPF-1 Forms and Information

- [2023 CPF-1 Important Dates](#)
- [2023 CPF Certification of Project Completion](#)
- [2023 CPF Speed Test Certification](#)
- [2023 CPF Reimbursement Request](#)

### CPF-2 Forms and Information

- [2023 CPF-1 Important Dates](#)
- [2024 CPF Certification of Project Completion](#)
- [2024 CPF Speed Test Certification](#)
- [2024 CPF Reimbursement Request](#)

### General Forms (applicable for both CPF-1 and CPF-2)

- [Nebraska Broadband Program Reimbursement Template](#)
- [Speed Testing Subscriber Upload Template](#)
- [Speed Testing Template](#)
- [Latency Testing Template](#)

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<sup>1</sup> For purposes of the Capital Projects Fund - Broadband Infrastructure Program – the Nebraska Public Service Commission is the Recipient.

<sup>2</sup> [Coronavirus Capital Projects Fund Compliance and Report Guidance For States, Territories, and Freely Associated States](#), page 1.

## II. Overview of CPF Reimbursement Process

As required by order of the Nebraska Public Service Commission (Commission)<sup>3</sup>, following project completion, Subrecipients shall submit to the Commission:

- A. CPF Certification of Project Completion form (see links above).
  1. CPF-1 Subrecipients project completion deadline is on or before December 27, 2024, at 5:00 p.m. unless an extension of the deadline is requested and granted by Commission order. A Subrecipient seeking an extension must submit an extension of the project deadline on or prior to November 30, 2024.
  2. CPF-2 Subrecipients project completion deadline is on or before December 4, 2025, at 5:00 p.m. unless an extension of the deadline is requested and granted by Commission order. A Subrecipient seeking an extension must submit an extension of the project deadline on or prior to November 4, 2025.

NOTE: Extension requests must be submitted to [psc.broadband@nebraska.gov](mailto:psc.broadband@nebraska.gov) and must include good cause for the requested extension.

- B. CPF Speed Test Certification form (see links above) within 30 days of project completion. Final payment cannot be disbursed until the Commission has received speed test documentation that verifies that the required minimum speeds are provided to subscribers in the project area. The [NPSC Subscriber Upload Template](#) should be used to communicate subscriber information in the project area to the Commission for random testing selection, and the [NPSC Speed Testing Template](#) and [NPSC Latency Testing Template](#) should be used to communicate speed and latency test results to the Commission. Submitting the templates in an Excel format is **mandatory** to streamline processing.
- C. Liquidation of project obligations must be complete within **seventy-five (75)**<sup>4</sup> calendar days after the end date of the performance period. Meaning all outstanding obligations **must be paid** within seventy-five days of the date the project is certified as complete. Any obligations not paid by the seventy-fifth (75<sup>th</sup>) day are unallowable for reimbursement.<sup>5</sup>
- D. CPF Reimbursement Request form (see links above) with all supporting documentation to verify actual allowable costs incurred in the completion of the project within ninety (90) days of project completion. Only work performed during the performance period (date of award to date project is certified as complete<sup>6</sup>) is eligible for reimbursement. Subrecipients should use the [Nebraska Broadband Programs Reimbursement Template](#) when submitting a breakdown of actual costs. Subrecipients should review the CPF Reimbursement Webinar as soon as possible once it is possible.<sup>7</sup>

## III. Overview of Basic Considerations of Cost Principles

The Commission is obligated to confirm whether Subrecipients expended funds for the purpose of the grant and only on expenses that are allowable, necessary, reasonable, allocable, and adequately documented.

- Allowable – While not a comprehensive list of allowed/disallowed expenses, the CPF Allowed and Disallowed Cost Examples provides examples of what would be considered allowable and disallowable. Generally, allowable/eligible costs are the **direct costs** associated with the deployment of broadband infrastructure that can support broadband service scalable to **at least** 100 Mbps download **and** 100 Mbps upload (symmetrical service).

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<sup>3</sup> For CPF-1 Subrecipients, the controlling order is [CPF-1 Order Issuing Grant Awards and Results of Challenges](#) issued June 27, 2023. For CPF-2 Subrecipients, the controlling order is [CPF-2 Order Issuing Grant Awards and Results of Challenges](#) issued June 4, 2024.

<sup>4</sup> The seventy-five day requirement to liquidate obligations can be found in the Attestation and Agreement, section nine. Subrecipients are reminded that the seventy-five day requirement is *shorter* than the ninety-day requirement of the Nebraska Broadband Bridge Program.

<sup>5</sup> See [Capital Projects Fund Grant Attestation and Agreement](#) page 5, Section 9. Grant Close-out

<sup>6</sup> In cases where the deadline to complete deployment passes and the project is not complete, only obligations incurred as of the project completion deadline are eligible for reimbursement.

<sup>7</sup> Version 1.0 of the Reimbursement Guide does not contain a link to the Webinar. The Webinar will be posted in the month of August, 2024. Once the link is available, the Guide will be updated (version 2.0) and notification sent of new material available.

For purposes of the Capital Projects Fund, the definition of an allowable expense will be evaluated based on 2 CFR 200, Subpart E – specifically [2 C.F.R. §200.403](#).

- Necessary – A cost must be necessary and reasonable for the performance of the Federal award and be allocable thereto. For purposes of the Capital Projects Fund, the definition of a reasonable cost will be evaluated based on [2 C.F.R. §200.403](#).
- Reasonable – A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. For purposes of the Capital Projects Fund, the definition of a reasonable cost will be evaluated based on [2 C.F.R. § 200.404](#).
- Allocable – A cost is allocable if the cost reported is directly attributable to the specific project for which the grant was provided and can be directly allocated and traced to the grant. These costs must be legitimate and necessary expenses incurred in the process of completing the broadband deployment project. For purposes of the Capital Projects Fund, the definition of allocable costs will be evaluated based on [2 C.F.R. §200.405](#).
- Adequate Documentation – It is the Subrecipients responsibility to maintain adequate records and documentation of grant expenditures that can track the source and expenditures of use of grant funds by project, and substantiate the actual eligible costs incurred for the project. If the PSC staff finds that the documentation is insufficient, we reserve the right to request additional supporting documentation.

The Capital Projects Fund has been established to facilitate the expansion of broadband infrastructure to bring service to unserved and underserved areas. The funding is intended to reimburse allowable, reasonable and necessary costs that directly contribute to the successful deployment of broadband projects. It's important to note that while Subrecipients may recover allowable costs through the reimbursement process, the CPF grant funds are not intended for companies to realize a profit for the **deployment** of broadband. Federal rules allow the Subrecipient to keep all profits realized for **providing service** to customers utilizing the broadband infrastructure. We encourage all Subrecipients to approach the reimbursement process with transparency and a commitment to the program's objectives. As you prepare reimbursement requests and documentation, please ensure that claimed expenses are directly linked to eligible project activities and comply with the CPF requirements.

#### IV. Project Completion

Subrecipients are encouraged to closely track obligations incurred for the project area and only submit a Certification of Project Completion (see links above) once the following conditions have been met:

1. The entire project area has been constructed as planned and awarded, with every Broadband Serviceable Location (BSL) within the project area having been passed and capable of being served at the required speeds. A BSL is defined by the Federal Communications Commission as “a business or residential location in the United States at which fixed broadband internet service is, or can be, installed.”
2. Additionally, one of the following conditions has been met:
  - a. The project has already incurred obligations that meet or exceed the total project costs as submitted with the application approved for funding by the Commission; or
  - b. The deployment deadline (end of the performance period) has been reached.
3. Additional Reminders:
  - a. Only obligations incurred between the grant award and the date of project completion will be considered for reimbursement.<sup>8</sup> All obligations incurred for purposes of deploying broadband to the approved project area must be liquidated (paid) within **seventy-five (75) days** of project completion.<sup>9</sup>

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<sup>8</sup> In cases where a Subrecipient may have inventory on hand prior to the issuance of the Award, the Subrecipient must be able to provide documentation substantiating the cost of the asset at the time of purchase, which includes the purchase order/work order, contract, Vendor invoice, and proof of payment, as applicable. Please contact the Commission with any questions pertaining to the allowability of inventory on hand for reimbursement.

<sup>9</sup> See [Capital Projects Fund Grant Attestation and Agreement](#) page 5, Section 9. Grant Close-out.

- b. A CPF Reimbursement Request form must be submitted within ninety (90) days from the date the project was certified as complete. Meaning, if the Certification of Project Completion form states that the project was complete December 1, 2024, all project related expenses must be paid no later than February 15, 2025 and a reimbursement request must be submitted by March 1, 2025. Only project-related expenses that have been **paid** can be submitted for reimbursement. Any project-related expenses that have **not been paid** within the 75 day liquidation period and prior to the date reimbursement request is submitted are not eligible for reimbursement and must not be included in the reimbursement request.
- c. Subrecipients should bear in mind that once it has certified the project as **complete** any obligations incurred after that date are ineligible for reimbursement. That includes customer drops and customer premise equipment.
  - i. For example: If there are eighty (80) locations in the project area, and on the date the project is certified as **complete** only forty (40) customers in the project area are receiving service, the CPF funds can only reimburse for the customer drops and CPE for the forty (40) active customers.

**V. Reimbursement Basis**

Subrecipients are reminded that the program operates on a reimbursement basis and the grant award provided constitutes a maximum amount. Final reimbursement will be dependent on total actual allowable expenditures. The match percentage commitment will be applied towards the total allowable expenditures and any advanced payments made for the project will be deducted from the final payment. The final payment will be disbursed after these adjustments, ensuring that the total amount disbursed does not exceed the grant amount awarded.

The following examples are based on a hypothetical scenario where the awarded application estimated the following:

Total Project Cost:	\$1,000,000.00
Match Commitment:	\$ 250,000.00 (25%)
Total Grant Award:	\$ 750,000.00 (75%) "do not exceed" fixed amount sub-award

**Example One – Actual Expenditures Exceed Original Budget:**

**Reimbursement Calculations:**

Total Actual Allowable Expenditures:	\$1,120,000.00
Match Commitment 25%:	\$ 280,000.00 (25%)
Total Allowable Grant Funds:	\$ 750,000.00 fixed amount award
Additional Subrecipient Responsibility:	\$ 90,000.00

The Subrecipient cash requirement in this example is higher than the original funding calculations. Because the total allowable expenditures exceed the original Total Project Cost. We apply the match commitment percentage to determine the Subrecipients required cash match, \$280,000.00. In this case, the amount remaining (\$1,120,000 - \$280,000 = \$840,000) exceeds the fixed amount award of \$750,000.00. As a result, the financial responsibility of the Subrecipient increases by \$90,000.00 to a total of \$370,000.00.

The amount of advanced funds will be deducted from the final reimbursement. In this example, if fifty (50) percent of the total grant award was paid in advance, or \$375,000.00. The final reimbursement will be \$375,000.00.

**Example Two – Actual Expenditures Are Less Than Original Budget:**

**Reimbursement Calculations:**

Total Actual Allowable Expenditures:	\$875,000.00
Match Commitment 25%:	\$218,750.00
Total Allowable Grant Funds:	\$656,250.00

In this example, the total allowable expenditures are less than the original estimate reflected above as the "Total Project Cost". To calculate final payment, we apply the match commitment percentage to determine the Subrecipients committed match of twenty-five (25) percent of the total allowable expenditures. Total Allowable Grant Funds is then calculated. The CPF program operates on a reimbursement basis. In this example, if fifty (50) percent of the total grant award was paid in advance, or \$375,000.00, the final reimbursement will be calculated as \$656,250.00 - \$375,000.00 = \$281,250.00.

## VI. Key Steps in the Reimbursement Process:

a. **Organize Relevant Documentation:** Gather all necessary documentation that supports the expenses incurred during the broadband deployment project. This may include (but is not limited to) purchase orders, work orders, invoices, receipts, contracts, timesheets, proof of payment and any other relevant records. Documentation of each transaction should be combined and saved as a separate PDF file. For example: If the name of the Vendor is FiberTronics, the PDF file would include the purchase order for the transaction, the Vendor invoice, and proof of payment. The file name should reflect the Vendor name such as "FiberTronics1" or "FT1". Subsequent files for the same vendor should follow this naming convention, with filenames progressing sequentially, such as "FiberTronics2", "FiberTronics3", and so forth. Subrecipients are required to internally track obligations and expenditures throughout the performance period.

b. **Prepare a Reimbursement Request Package:** Create a comprehensive reimbursement request package that includes the following components:

i. **CPF Reimbursement Request:** Complete the CPF Reimbursement Request Form with accurate and up-to-date project and cost information.

ii. **Nebraska Broadband Programs Reimbursement Template:** Complete the template with accurate and up-to-date project and cost information. Subrecipients should watch the CPF Reimbursement Template Webinar for instruction and examples on how to appropriately complete the reimbursement template. The "1. Project Expenses" worksheet should be utilized for all project related expenses. The "2. Labor Reporting" worksheet should be utilized to report direct internal labor. The direct internal labor should be included as one line item for each category of expense and expense type on the "1. Project Expenses" worksheet.

**REMINDER:** Sales Tax is not an eligible expense for this program. Please remove sales tax when calculating the Unit Price. Freight and shipping are an eligible expense. Do not include freight or shipping as a separate line item on the reimbursement request. If freight or shipping was charged, calculate the Unit Price with Freight cost allocated based on the total quantity of items shipped. See CPF Reimbursement Template Webinar FiberTronics examples.

iii. **Supporting documentation:** Attach copies of all supporting documentation, including but not limited to purchase orders, work orders, invoices, receipts, contracts, payroll records, and other relevant documents that adequately verify the expenses claimed. Any invoices or other documents that contain expenses not related to the approved project must be marked accordingly. Subrecipients should review the CPF Reimbursement Guide Webinar for examples of how documents should be marked for easier and quicker processing.

c. **Review for Accuracy:** Carefully review all entries, calculations, and documentation to ensure accuracy, consistency, and compliance with allowable cost categories. Ensure that claimed amounts only include allowable, project-related expenses that are adequately documented.

d. **Submit the Request:** Send the completed CPF Reimbursement Request (see links in Section I), [Nebraska Broadband Programs Reimbursement template](#) and supporting documentation to [psc.broadband@nebraska.gov](mailto:psc.broadband@nebraska.gov). Clearly label attachments for ease of reference.

e. **Await Confirmation and Processing:**

Once your reimbursement request is submitted, we will provide confirmation of receipt. Please allow the Commission staff time to review and process your documents. If additional information is required, we will contact you. If contacted for additional information or explanation, please respond promptly. Final disbursement of grant funding is determined following review of submitted documentation of allowable direct costs along with consideration of payments made and the match percentage. As a reminder, the Commission must first secure the necessary funding from the Department of Treasury before disbursing it to the subrecipient. The Treasury's authorization process can take as little as a few days, but it may also extend to thirty days or more, depending on various factors.

**f. Maintain Records:**

Keep copies of all submitted documents for your records. These copies will be invaluable for record-keeping, review, and tracking the status of your reimbursement request.

**g. Audit Requirement:**

Subrecipients are reminded of the access to and retention of records requirement in the [CPF Subaward Attestation and Agreement](#). For a period of at least five years after either the termination date of the Grant Award as provided in the Close-Out Notice provided by the Commission, or the conclusion of any claim, litigation or exception related to the Grant, whichever is later.<sup>10</sup> Subrecipients are subject to state and/or federal audit. Subrecipients must be prepared to produce its records in relation to the Grant Award, access to employees and any other property encumbered by the Grant Award terms and conditions, and any and all books, records, accounts, including electronic books, records, accounts and electronic mail messages, regardless of physical forms, or characteristics, invoices, contracts, leases, payroll records, canceled checks, statements, and other documents and papers of any kind pertaining to the Project and the Grant Award.

**h. Contact for Further Assistance:**

Should you have any questions or require further assistance, please don't hesitate to reach out to us at [psc.broadband@nebraska.gov](mailto:psc.broadband@nebraska.gov). We are here to help you navigate the process with clarity and accuracy. Subrecipients are not required to wait until it is time to submit for reimbursement to ask questions. The Commission encourages Subrecipients to ask any question during the deployment process about how to adequately document expenses, or any questions pertaining to compliance with the [Attestation and Agreement](#).

**VII. Completing the Nebraska Broadband Program Reimbursement Template**

Vendor invoices containing multiple purchases must be reported on two separate line items on the Nebraska Broadband Program Reimbursement Template. Example: A FiberTronics invoice for twelve (12) count fiber and forty-eight (48) count fiber should be reported on two separate line items. Please annotate the vendor invoice with any additional information that will assist the Commission staff in understanding exactly the items or services that pertain to the project. This will minimize the need for follow-up inquiries and enable staff to efficiently process the reimbursement request.

**a. Worksheet "1. Program Expenses":**

Name of Awardee: The name of the entity awarded grant funding.

Name of Project: The name of the project as indicated on the grant application.

Grant Program: Drop-down field. Choose the appropriate grant program for the project that received grant funding.

Period of Performance: Date of Award to Project Completion date (See Section IV for details).

- If the project completion date is within the original 18-month build requirement, use the actual project completion date.
- If the project completion date is outside of the original 18-month build requirement, and an extension was granted by the Commission, use the actual date of completion, provided it falls within the extension period.
- If the project completion date is outside of the original 18-month build requirement, and an extension was not granted by the Commission, use the original deadline.
- If the date of project completion is outside the extension period, use the last day of the extension.

Please note: Any obligations incurred after the period of performance end date are unallowable for reimbursement.

Application Project Cost: The original application project cost as submitted by the Awardee on the

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<sup>10</sup> See Capital Projects Fund Grant Attestation and Agreement, Section 10, page 5.



application approved by the Commission for grant funding.

Awardee Match Requirement: The original amount that the Awardee committed to paying for the approved project.

Awardee %: The percentage will auto-calculate based on the application project cost and the awardee match requirement.

Grant Funding Awarded: The original amount that the Awardee was awarded for the approved project.

Grantor %: The percentage will auto-calculate based on the application project cost and the grant funding awarded.

Invoice No. The invoice number of the vendor provided invoice for the expense.

PDF Name: The name of the PDF file containing all documentation required to be submitted to the Commission for review of the expense and determination of eligibility for reimbursement.

Date of Invoice: The date on the vendor provided invoice for the expense.

Vendor Name: The name of the vendor providing the materials/goods/services.

Description of Item Purchased: The description of the item purchased as indicated on the vendor provided invoice. The description must include the exact language from the vendor provided invoice. If the description on the vendor provided invoice is simply a product code, or a billing code, provide an explanation. Example: billing code BD14. Include explanation "place pedestal qty x".

Total Qty Purchased: The total quantity purchased as indicated on the vendor provided invoice. **Do not** use the quantity placed in service for project.

Price Per Qty: The total net price per unit of measure **and** any freight or shipping costs allocated for this line item. **Do not** include sales tax.

Unit of Measure: Drop-down field. Choose foot/unit as appropriate for the line item.

Total Amount Invoiced: This field will auto-calculate based on the total qty purchased \* price per qty.

Proof of Payment: Please enter the check number, ACH transaction number, or credit card type (MasterCard (MC) or Visa, etc.) and last four digits. Example: MC 1234, Visa 5678.

Category of Expense and Expense Type: Drop-down fields. Utilize the Budget Categories type of assistance in selecting the appropriate category of expense and expense type.

<b>Category of Expense</b>	<b>Expense Type</b>	<b>Cost Per Item</b>
Design and Engineering	Design of Network	<i>per hour/fixed</i>
	Engineering of Network	<i>per hour/fixed</i>
Permitting Approval	Obtain Easements	<i>Per easement</i>
	Obtain Right of Way	<i>Per ROW</i>
	Obtain Permit	<i>Per Permit</i>
Construction Materials	Fiber	<i>Per foot</i>
	Conduit	<i>Per foot</i>
	Tower	<i>Per tower</i>
	Antenna	<i>Per antenna</i>
	Vault / Flowerpots / etc.	<i>Per unit</i>
	Make Ready Materials	<i>Per foot</i>

Network Equipment	Switching Equipment	<i>Per unit</i>
	Routing Equipment	<i>Per unit</i>
	Optical Equipment	<i>Per unit</i>
	Customer Premise Equipment	<i>Per unit</i>
Construction of Network	Directional Drilling / Boring	<i>Per foot</i>
	Trenching	<i>Per foot</i>
	Aerial Deployment	<i>Per foot</i>
	Deploy Electronics	<i>Per unit</i>
	Customer Drops	<i>Per unit</i>
	Central Office	<i>Per unit</i>
	Fiber Splicing	<i>Per unit</i>
Disallowed Expenses	Real Estate Purchase	<i>Per unit</i>
	General and administrative	<i>per hour</i>
	Other (attach explanation)	

Qty Placed in Service for Project: enter the total quantity utilized for the approved project. This number can be equal to or less than the Total Qty Purchased. But can never be greater than Total Qty Purchased.

Total Cost of Materials for Project: This field will auto-calculate based on the Qty Placed in Service for Project \* Price Per Qty.

Awardee Match: This field will auto-calculate based on the Total Cost of Materials for Project \* Awardee %.

Program Match: This field will auto-calculate based on the Total Cost of Materials for Project \* Grantor %.

**b. Worksheet “2. Labor Reporting”:**

This sheet in the Nebraska Broadband Reimbursement Template must be completed for any direct internal labor expenses associated with the specific project for which the applicant is seeking reimbursement.

Employee Name: Name of the employee.

Employee Title/Role: The employee’s job title.

Employee ID: The unique identifier assigned to the employee for the payroll system. If the Employee ID is based on the SSN, please provide ***only*** the last four digits of the SSN.

Start Date: The start date that the employee began reporting time *for that budget category/expense type*. See c. Timesheet Example for more information. If one employee performed multiple tasks across expense types, there should be one line per expense type on this form.

End Date: The end date that the employee stopped reporting time *for that budget category/expense type*.

Hours: The number of hours worked *for that budget category/expense type*.

Hourly Rate: The hourly pay for the employee during the time period reported.

Labor \$: This field will auto-calculate based on hours \* hourly rate.

FICA: The total amount paid by the Awardee for FICA (Federal Insurance Contribution Act) for the number of hours worked by the employee for this line item on the form. This includes Social Security tax and Medicare tax.

Unemployment Tax: The total amount paid by the Awardee for the unemployment tax for the number of hours worked by the employee for this line item on the form. Examples: FUTA, SUTA, SUI, etc.

Workers Comp: The total amount paid by the Awardee for workers comp for the number of hours worked by the employee for this line item on the form.

Retirement: The total amount paid by the Awardee towards retirement for the number of hours worked by the employee for this line item on the form. This expense is disallowed.

Insurance: The total amount paid by the Awardee towards insurance for the number of hours worked by the employee for this line item on the form. Examples: Health insurance, life insurance, disability insurance, etc. This expense is disallowed.

Pension: The total amount paid by the Awardee towards pension for the number of hours worked by the employee for this line item on the form. This expense is disallowed.

Other: The total amount paid by the Awardee for other expenses for the number of hours worked by the employee for this line item on the form. This expense is disallowed.

Total: The total amount will auto-calculate based on the sum of Labor \$ and overhead allocations.

Less Disallowed: The amount will auto-calculate based on the sum of retirement + insurance + pension + other.

Allowed Labor/OH: The amount will auto-calculate based on the sum of total – less disallowed.

Loaded Hourly Rate: The amount will auto-calculate based on the sum of allowed labor / OH / Hours.

**c. Timesheet Example:**

The sheet will auto-calculate the number of hours spent on each of the category of expense/expense types. See columns L – N. NOTE: While Awardee’s are not required to utilize this specific timesheet, they must provide the data elements outlined in the Timesheet Example for any direct internal labor they seek reimbursement for.

Employee Name: Name of the employee.

Employee ID: The unique identifier assigned to the employee for the payroll system. If the Employee ID is based on the SSN, please provide ***only*** the last four digits of the SSN.

Project Identifier: The unique project identifier utilized by the Awardee to track payroll expenses for the grant project.

Job Title: The employee’s job title.

Date: The date the work was performed.

Category of Expense and Expense Type: Drop-down fields. Utilize the Budget Categories tab for assistance in selecting the appropriate category of expense and expense type.

Task: Provide a description of the task performed by the employee.

Total Hours: Enter the amount of time spent by the employee on the task.

Additional Notes: Any additional information regarding the task performed by the employee.

**VIII. Additional Guidance**

**a. In-Kind Contributions:**

Tangible in-kind contributions, such as equipment and inventory on hand may be allowed as a match if justification is provided such as receipts or invoices showing the value of the asset at the time of acquisition. In-kind direct labor (such as free or discounted direct labor performed by non-affiliated entities) can be considered as a valid match source if the applicant can demonstrate that the stated value of the in-kind direct labor is fair and reasonable. Or if a non-affiliated person or entity pays for goods or services on the Subrecipients behalf, the

payment is an in-kind contribution. However, other in-kind contributions including but not limited to right of way access, savings as a result of partnerships, are not considered an acceptable match source.

Subrecipients must provide documentation to support the value of the in-kind contribution along with evidence that the in-kind contributions are directly related to the deployment of eligible broadband service to the approved project area. This can be in the form of receipts or invoices that clearly show the cost of the asset at the time of acquisition.

i. Are in-kind contributions required to be allowable costs?

Yes. In-kind contributions to the project must be allowable project expenses; that is, they must be for costs that are eligible for funding under the grant. In-kind contributions are subject to the same restrictions and requirements as the other property, equipment, and services funded under the grant.

ii. What is the difference between In-Kind VS Internal Direct Labor Costs

In-kind direct labor costs: Refer to the value of labor that is contributed to a project without involving an exchange of funds. These contributions can be made by individuals or organizations. Any in-kind labor costs must be adequately documented, similar to direct internal labor.

Internal direct labor costs: Refer to actual monetary expenses incurred for labor directly associated with the build. These costs can be objectively measured, documented, and consistently valued based on standard payroll records, hourly rates, and work logs. While internal direct labor costs are generally considered allowable for reimbursement, they are not considered in-kind contributions.

iii. Examples of Valid and Invalid In-Kind Contributions:

Valid In-Kind Contributions:

1. Tangible In-Kind Contribution:

- Valid: A local business donates networking equipment worth \$2,000 to support the broadband deployment project.
- Justification: Receipts or invoices from the business clearly reflecting the value of the donated equipment at the time of acquisition.

2. In-Kind Direct Labor Example #1:

- Valid: A skilled technician not otherwise affiliated with the Subrecipient offers 20 hours of free labor to install broadband infrastructure.
- Justification: Prior invoices from the technician's company for similar non-grant projects demonstrating the fair and reasonable value of the labor.

3. In-Kind Direct Labor Example #2:

- Valid: A non-affiliated local construction company offers discounted labor to install broadband infrastructure. The typical cost for their services is valued at \$8,000, but they agree to provide the services for \$6,000. The \$2,000 savings could constitute an in-kind contribution.
- Justification: Prior invoices from the company for similar non-grant projects demonstrating the fair and reasonable value of the services.

4. Payment on Behalf of Subrecipient:

- Valid: A community organization pays \$500 for surveying services required for the broadband project.
- Justification: Evidence of the cost and payment by the community organization on behalf of the Subrecipient, such as a receipt or invoice.

Invalid In-Kind Contributions:

1. Quote from Contractor as basis for documentation of in-house construction expense:

- Invalid: Subrecipient chooses to utilize in-house construction team to deploy the broadband infrastructure. Subrecipient obtains a bid from a third-party contractor stating how much it would charge Subrecipient to construct the broadband network.
- Explanation: Only actual expenses incurred are eligible for reimbursement. Because the construction was performed by an in-house construction crew, only the costs actually incurred are eligible for reimbursement. A third-party construction company bid to perform the work is not an

- in-kind contribution.
  - 2. Right of Way Access:
    - Invalid: A landowner grants access to their property at no cost for the broadband infrastructure deployment.
    - Explanation: Right of way access is not considered an acceptable match source.
  - 3. Savings from Partnerships:
    - Invalid: A partnership with a local utility results in cost savings on materials for the broadband project.
    - Explanation: Savings resulting from partnerships are not eligible as match sources.
  - 4. Existing Infrastructure:
    - Invalid: The Subrecipient includes middle-mile fiber paths or other existing infrastructure that are already in place as in-kind contributions.
    - Explanation: Although the middle-mile fiber paths are valuable assets owned by the broadband company, they are not eligible for reimbursement nor would they be considered an in-kind contribution as they are not new deployments.
  - 5. Internal Direct Labor:
    - Invalid: The Subrecipient includes the value of internal staff's time spent on project tasks as in-kind direct labor contribution, estimating the value at \$15,000.
    - Explanation: While internal direct labor costs are generally considered allowable for reimbursement, they would not be considered an in-kind contribution as they involve actual monetary expenses incurred for labor directly associated with the project.
- b. **Direct Cost Allocation:** In cases where assets benefit multiple projects or activities, direct cost allocation becomes necessary to ensure accurate reimbursement and fair distribution of costs. Direct cost allocation involves assigning a portion of the assets total cost to each project based on the proportional benefit each project receives.

When submitting a reimbursement request, ensure you include:

- A breakdown of the assets cost by project and non-project related usage.
- The allocation method used (hours, miles, feet, etc.).
- An explanation of how the allocation was determined.
- Any relevant documentation that supports the allocation.

Whatever allocation method is used must be consistent with how the Subrecipient tracks costs for non-Federal funded projects.

- c. **Documenting Direct Internal Labor:** Any direct internal labor eligible for reimbursement must be adequately documented *at the project level*. Review the Timesheet Example in the [Nebraska Broadband Programs Reimbursement Template](#) for the data elements that must be documented.
- d. **In-house Construction Reporting:** Subrecipients that choose to perform any in-house construction must have internal controls in place to document costs such as labor, equipment, machinery and vehicle usage. Subrecipients that plan to request reimbursement for usage of internal equipment, machinery or vehicles must notify the Commission and provide an adequate explanation of cost methodology and a proposal for how to provide adequate documentation that shows the cost is reasonable and necessary for the deployment of the broadband project. Such proposal should be submitted to the Commission for consideration **as early as possible**. Subrecipients can create documentation to track expenses and can request the Commission staff review to ensure all data elements are included. In the alternative, Subrecipients can request the Commission staff provide a form it can use to track the required data elements.
- e. **Affiliated Company Billing:** The Federal Government defines Affiliate in 2 C.F.R. §180.905. Persons are *affiliates* of each other if directly, or indirectly, either one controls or has the power to control the other or a third person controls or has the power to control both. The ways a Federal agency may determine control include, but are not limited to: (a) interlocking management or ownership; (b) identity of interests among family members; (c) shared facilities and equipment; (d) common use of employees; or (e) a business entity which has been organized following the exclusion of a person which has the same or similar management, ownership, or principal employees as the excluded person.

Companies that meet the definition of “affiliated” with the Subrecipient must be able to demonstrate that the services provided by the affiliated company are reasonable, allowable, necessary, and adequately documented. A best practice is to collect multiple competitive bids for the service to be provided by the affiliated company to demonstrate “market rates” for the services being provided. All bids must be submitted to the Commission when submitting a reimbursement request. Another best practice is to keep all negotiations at an arms-length. The employees of the Subrecipient choosing to utilize the services of the affiliated company should also not be involved in any way with, or be the same employees, of the employees at the affiliated company responsible for determining the cost to provide the service or responding to a request for competitive bids. The establishment of a pre-negotiated agreed-upon price to provide the service by an affiliated company of the Subrecipient is strictly forbidden prior to undergoing a competitive bid process.

If the affiliated company is a vendor to companies other than the Subrecipient, the requirement to obtain competitive bids can be waived upon demonstrating that the rates charged by the affiliated company to the Subrecipient are the same rates charged to other companies.

- f. **Inter-Company Billing:** Inter-company billing occurs when one entity within a corporate group provides goods or services to another entity within the same group or entities with common ownership, which includes affiliated companies and non-affiliated companies. In the context of a broadband deployment project, this could involve one subsidiary providing services, materials, or equipment to another subsidiary involved in the project. When dealing with such arrangements, it's important to ensure transparency, accuracy, and compliance with project guidelines.
- i. **Documentation:** When submitting a reimbursement request involving intercompany billing arrangements, you should provide comprehensive documentation to ensure transparency and substantiation. Examples could include:
    - 1. **Invoice or Agreement:** Include a detailed invoice or agreement that outlines the scope of services, materials, or equipment provided by one subsidiary to the other. This should include a breakdown of the costs associated with the intercompany transaction.
    - 2. **Description of Services or Goods:** Clearly describe the nature of the services or goods provided under the intercompany billing arrangement. This helps establish the relevance of the transaction to the broadband deployment project.
    - 3. **Pricing Basis:** Explain how pricing was determined for the intercompany transaction. Whether it's based on market rates, cost-plus, or any other methodology, this information provides transparency.
    - 4. **Relationship:** Clearly indicate the relationship between the entities involved in the intercompany transaction. This includes identifying the subsidiaries and their roles in the broadband deployment project.
    - 5. **Supporting Documentation:** Attach any supporting documents that validate the services or goods provided. This may include work orders, material receipts, or any other relevant records.
  - ii. **Importance of Transparency:** Intercompany billing arrangements should be transparent and accurately reflect the market value of the goods or services exchanged. Transparency is essential to ensure that the expenses claimed in the reimbursement request align with the project's goals and guidelines.
- g. **Ineligible Uses/Activities:** The CPF Allowed and Disallowed Cost Examples document outlines specific costs disallowed for reimbursement. Additionally, the following list is provided for clarification of certain costs that are also ineligible uses of grant funds. CPF Subrecipients may not use grant funds to:
- i. Buy materials and resell them to a broadband project at a profit;
  - ii. Receive reimbursement for costs incurred prior to a Broadband Program grant assistance award date, except as otherwise outlined herein;
  - iii. Receive reimbursement for surplus materials not used in the proposed project. If the award recipient purchases in bulk for a better price, the reimbursable quantity of materials used should be pro-rated for the materials actually deployed for the project;

- iv. Pay for fundraising activities;
- v. Pay for political endorsements, donations, or advertisements;
- vi. Pay for computers or office equipment; and,
- vii. Pay for permitting, planning, or development of broadband infrastructure outside of State boundaries not directly necessary to serve in-State locations included in the application.

## **IX. Final Close-Out Report**

No later than sixty (60) days following issuance of final disbursement of grant funds for the completed project, the Subrecipient is required to submit a Final Close-out Report to the Commission.<sup>11</sup> To date, the Commission has not been provided all data elements required by the Department of Treasury for the Final Close-out report. The Subrecipient will comply with any request for additional data not specified herein but which the Commission determines is necessary to comply with Treasury reporting requirements. The Subrecipient shall file, on forms prescribed by the Commission a report which addresses, at a minimum, the following:

- A description of the accomplishments of the objectives set forth in the Subrecipient's application;
- A description of any problems, delays, or adverse conditions that occurred, or which impacted the overall Project objectives, caused any missed deadlines, or precluded the Subrecipients ability to achieve the desired outcomes of the Project;
- A comparison of how grant funds were spent against the original budget submitted to the Commission and approved in Subrecipient's application; and
- A map indicating that all construction has been completed as proposed in the application. If there was a portion of the proposed project area that was not constructed Subrecipient acknowledges and agrees that the Commission require a portion of the Grant Award to be rescinded or refunded.

## **X. Stay Informed**

To stay informed about potential updates to this guide, we recommend that you periodically visit our website at: [Nebraska Broadband Bridge Program \(NBBP\)/Capital Projects Fund \(CPF\) | Nebraska Public Service Commission.](#)

Please note that this reimbursement guide may be updated periodically as new information becomes available or to provide additional clarification on specific aspects of the reimbursement process. We understand that evolving circumstances, industry insights, or program changes may necessitate updates to the guide. These updates are aimed at enhancing your understanding and facilitating accurate reimbursement submissions that align with CPF guidelines.

We appreciate your efforts to expand broadband access and connectivity in Nebraska communities. Thank you for contributing to the success of the Nebraska Capital Projects Fund.

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<sup>11</sup> See Capital Projects Fund Grant Attestation and Agreement, Section 8(4), page 4.