

2021 Nebraska Broadband Bridge Program (NBBP)

Reimbursement Request Guide

We are pleased to offer this Nebraska Broadband Bridge Program (NBBP) Reimbursement Request Guide for 2021 program year. This guide is provided as a supplementary resource to assist grantees in navigating the process of submitting reimbursement requests for the NBBP.

We recognize that accounting practices may differ from company to company due to a variety of factors (including 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 in reimbursement requests. While the reimbursement guide offers instructions for preparing reimbursement requests and documentation, grantees are encouraged to tailor the guidance to align with their company's specific accounting practices. However, regardless of the specific methods employed, grantees must adhere to program requirements and provide accurate representation of costs that are allowable, reasonable, allocable, and adequately documented.

I. Overview

As required by [order C-5272 \(1/4/22\)](#) of the Nebraska Public Service Commission (Commission), following project completion, providers who submitted a successful application in the 2021 NBBP grant cycle shall submit to the Commission:

- A. [NBBP Certification of Project Completion form](#) on or before July 5, 2023, at 5:00 p.m. unless an extension of the deadline is requested and granted by Commission order.
- B. [NBBP Speed Test Certification](#) within 30 days of project completion: Final payment cannot be disbursed until the Commission has received sufficient speed test documentation. 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](#) should be used to communicate speed test results to the Commission. Please only submit the Subscriber and Speed Testing Templates in an Excel format for quicker processing.
- C. [NBBP Reimbursement Request form](#) with all supporting documentation to justify actual allowable costs incurred in the completion of the project within 90 days of project completion.

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

- Allowable – While not a comprehensive list of allowed/disallowed expenses, the [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 project design and build. Cost allowability is based on several factors including whether the expense type is necessary and reasonable for the performance of the award, and whether the expense is adequately documented.
- 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.

- **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.
- **Adequate Documentation** – It is the grantees responsibility to maintain adequate records and documentation of grant expenditures that can track the source and expenditure 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 Nebraska Broadband Bridge Program has been established to facilitate the expansion of broadband infrastructure to bring service to unserved and underserved areas. The funding is intended to cover reasonable and necessary costs that directly contribute to the successful implementation of broadband projects. It's important to note that while grantees may recover allowable costs through the reimbursement process, the NBBP grant funds are not intended for companies to realize a profit on the activities covered by the grant. We encourage all grantees 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 NBBP guidelines.

II. 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) invoices, receipts, contracts, timesheets, and any other relevant records.
- B. Prepare a Reimbursement Request Package:** Create a comprehensive reimbursement request package that includes the following components:
 1. [NBBP Reimbursement Request Form](#): Fill out the NBBP Reimbursement Request Form with accurate and up-to-date project and cost information.
 2. **Supporting documentation:** Attach copies of all supporting documentation, including but not limited to invoices, receipts, contracts, payroll records, and other relevant documents that verify the expenses claimed.
- C. Create a Comprehensive Cost Summary Report:** Prepare a detailed report that breaks down all allowable costs for the project. This can be accomplished through spreadsheets or other suitable means. The cost summary should detail the following information:
 - Date (i.e., date of the invoice)
 - Amount (should only include allowable, project related amounts)
 - Supporting documentation description (i.e., vendor name on the invoice, invoice number, and/or clearly label the documentation that is attached to the request)
 - Description of the cost

If an invoice, or other supporting documentation contains costs not associated with the project, a description of how the claimed amount was determined must be included in order for the expense to be considered for reimbursement.

The 2021 NBBP Reimbursement Request Template has been provided as an optional tool for grantees to submit reimbursement requests. Section 1 includes an optional Cost Summary Template grantees may use.

D. Create an Internal Direct Labor Report: If a project includes expenses related to internal direct labor, prepare a report detailing labor information for each employee involved in the project, including:

- Employee Name: Full name of the employee who worked on the project.
- Employee ID: Unique identification or employee number, if applicable.
- Job Title/Role: Specify the job title or role of the employee within the project.
- Pay Period: Indicate the time period for which the labor costs are being claimed (e.g., weekly, bi-weekly, monthly).
- Hours Worked: Provide the number of hours the employee worked on the broadband infrastructure deployment during the specified pay period.
- Hourly Rate: State the hourly rate for the employee.
- Internal labor costs require a further breakdown by category:
 - Allowed direct labor costs include:
 - Direct wages pertaining to the project
 - FUTA/SUTA/SUI (Unemployment tax)
 - Workers' Compensation
 - FICA (Federal Insurance Contribution)
 - Disallowed direct labor costs include items such as:
 - Retirement
 - Health Insurance
 - Life Insurance
 - LT Disability

Calculate Labor Costs: Calculate the total labor cost for each employee by multiplying the hours worked by the hourly rate. Provide a breakdown for each employee, and then summarize the total direct labor costs for the reimbursement request.

The 2021 NBBP Reimbursement Request Template has been provided as an optional tool for grantees to submit reimbursement requests. Section 2 includes an optional Internal Direct Labor Reporting Template grantees may use.

Supporting Documentation: Attach supporting documentation to validate the direct labor costs claimed. This may include:

- Timesheets: Copies of timesheets that indicate the hours worked by each employee on the project. A timesheet example has been included in the 2021 NBBP Reimbursement Request Template that grantees may choose to utilize to provide the required documentation.

- Payroll Records: Documents that verify the hourly rates and the number of hours worked for the specified pay periods.

- E. Attach Supporting Documentation:** Collect all necessary supporting documents for each cost entry. This includes invoices, receipts, cost accounting records, internal labor breakdowns, payroll documents (timesheets, payroll records), equipment usage records, equipment rental agreements/invoices confirming equipment rental costs, and other relevant proofs of expenses.
- F. 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.
- G. Submit the Request:** Send the completed [NBBP Reimbursement Request Form](#), cost summary report, and supporting documentation to psc.broadband@nebraska.gov. Clearly label attachments for ease of reference.
- H. Await Confirmation and Processing:** Once your reimbursement request is submitted, allow the Commission staff time to review and process your documents. You may receive a confirmation of receipt or further instructions if additional information is required. Address any inquiries promptly. Final disbursement of grant awards is determined following review of submitted documentation of allowable direct costs along with consideration of payments made and the match percentage.
- I. 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.
- J. 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. We are here to help you navigate the process with clarity and accuracy.

III. Additional Guidance

- A. In-Kind Contributions:** For purposes of the NBBP, in-kind contributions can serve as grant match only for tangible items with identifiable values, such as equipment and inventory on hand. Grantees using in-kind contributions as matching funds must provide justification for the cost of the asset. This can be in the form of receipts or invoices that clearly show the cost of the asset at the time of acquisition.

For the 2021 NBBP grant year, in-kind labor costs are disallowed in order to prevent cost shifting or inflating of expenses. Intangible assets such as right of way access or savings as a result of partnerships are also disallowed due to the difficulty of ascertaining their value.

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

Yes. Project contributions 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.

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

In-kind labor costs refer to the value of labor that is contributed to a project without involving an actual exchange of funds. These contributions can be made by individuals, organizations, or even the project itself. However, they pose challenges in terms of valuation, consistency, and objectivity. In-kind contributions for labor are disallowed.

Direct labor costs, on the other hand, refer to actual monetary expenses incurred for labor directly associated with the project. These costs can be objectively measured, documented, and consistently valued based on standard payroll records, hourly rates, and work logs. They are considered allowable for reimbursement as they offer transparency and consistency.

It's important to distinguish between disallowed in-kind labor costs and allowable direct labor costs in the context of NBBP reimbursement requests. Internal direct labor costs should be claimed separately from an in-kind contribution such as machinery and equipment.

- B. Direct Cost Allocation: In cases where equipment or machinery benefits 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 equipment's total cost to each project based on the proportional benefit each project receives.

When submitting a reimbursement request, ensure you include:

- A breakdown of equipment usage for each project.
 - The allocation method used (hours, miles, etc.).
 - An explanation of how the allocation was determined.
 - Any relevant documentation that supports the allocation, such as equipment logs.
- C. Vehicle Clearing Accounts: If the company allocates costs of its vehicles to projects in the normal course of their accounting process, such as through a vehicle clearing account, grantees can submit information regarding the allocation as related to the construction of the project. Examples of documentation could include:
- Cost breakdown outlining clearing account components.
 - Cost allocation methodology explanation with calculations. The methodology used should be in line with general cost accounting principles and the supporting calculations should demonstrate how expenses for Vehicle Clearing are allocated to the particular project in a fair and accurate way.
 - Examples of supporting documentation like usage records, invoices, and allocation calculations.

- D. **Intercompany Billing:** Intercompany billing occurs when one entity within a corporate group provides goods or services to another entity within the same group. 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.
1. **Documentation:** When submitting a reimbursement request involving intercompany billing arrangements, you should provide comprehensive documentation to ensure transparency and substantiation. Examples could include:
 - A. **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.
 - B. **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.
 - C. **Pricing Basis:** Explain how the pricing was determined for the intercompany transaction. Whether it's based on market rates, cost-plus, or any other methodology, this information provides transparency.
 - D. **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.
 - E. **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.
 2. **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.
- E. **Ineligible Uses/Activities:** The [NBBP Allowed and Disallowed costs](#) 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. NBBP award recipients 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;
 - 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 amount 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;
 - 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.

IV. Stay Informed

To ensure clarity and transparency, 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 NBBP guidelines. 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](#)

We appreciate your efforts to expand broadband internet access and connectivity in Nebraska communities. Thank you for contributing to the success of the Nebraska Broadband Bridge Program.