

BUDGET CATEGORIES

Capital Projects Fund (CPF)

Digital Connectivity & Navigators Grant Program (DCN)

5-CPF-2024

Budget Category	Definition
Contractual, Consultant Fees	All project expenses for work performed by a third-party contractor. A third-party contractor is any entity that is not a signatory to the grant agreement. Examples: legal services, cement contractors, tree trimmers, electricians, engineering services, etc. Any materials purchased and supplied by a third-party contractor should be included here. This includes the cost of long-term leases of facilities required to provide qualifying broadband service for MDU projects.
Equipment	Equipment means tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000.
Supplies	Supplies means all tangible personal property other than those described by the Equipment category. All items with <u>per-unit</u> acquisition costs of less than \$5,000, regardless of the length of useful life, are considered supplies. This includes digital devices, Wi-Fi equipment, and software even if purchased by a contractor.
Labor (Salary, Fringe)	Actual labor expenses, including fringe benefits, of the grant recipient. This category is limited to direct personnel expenses only.
Permitting, Licensing Fees	All permitting & licensing expenses.
Travel	Grantee's travel expenses related to the project.
Other	Only Indirect Costs should be included in this category. These are costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Entities that do not have a current Federal negotiated indirect cost rate (NICRA) may elect to charge a de minimis rate of up to 10 percent of Modified Total Direct Costs (MTDC). ¹

¹ MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs. Your grant specialist will work with you to determine the MTDC and resulting indirect cost total for your project.

Allowable Costs: are determined in accordance with the cost principles identified in 2 C.F.R. Part 200, Subpart E.10 Federal funds committed to an award may only be used to cover allowable costs incurred during the period of performance and for allowable closeout costs incurred during the grant closeout process. Cost sharing is not a requirement for the use of these funds.

SOURCE: [GUIDANCE FOR THE CORONAVIRUS CAPITAL PROJECTS FUND \(treasury.gov\)](https://www.treasury.gov)

Match: There is no match for this grant. However, organizations should plan for ongoing, unallowed costs associated with the requirement to keep the program operational for five years following project close.

Eligible Costs: Eligible Costs mean those costs incurred and previously paid by Grant Recipient during the Performance Period that are not covered by any other federal or state funding, can be audited by the Commission, are directly attributable to activities identified in Attachment B-Project Scope, and are identified in Attachment C-Project Budget, subject to any Amendments to this Agreement.; which are incurred between the date that the Commission issues an order approving awarding grant funds to the Grant Recipient and November 1, 2026; and expenditures for materials, community planning and pre-engineering that are for the project and may have been purchased before the date the Commission issues an order approving awarding grant funds but after March 15, 2021, so long as they are used exclusively for the project.

*CPF projects are required to operate for at least five years following project close (defined as when the project close letter is filed). Equipment and fleets should plan with this requirement in mind and plan for full capital asset depreciation over the period of performance.