

INTERNET FOR ALL

Final Proposal

Iowa Department of Management (DOM)



U.S. Department of Commerce
National Telecommunications and Information Administration

Oversight and Accountability Processes Attachment (1)

BEAD Program Monitoring Plan

1. Executive Summary

This plan is published by the Iowa Department of Management, Division of Information Technology (“DOM”), in accordance with NIST financial assistance award number 19-20-B079 as amended. This Compliance and Monitoring Plan outlines the oversight and accountability framework to facilitate the proper use of Broadband Equity, Access, and Deployment (“BEAD”) Program funds. This plan adheres to the statutory and regulatory requirements at minimum defined in:

- [47 U.S.C. § 1702 \(Infrastructure Investment and Jobs Act – BEAD enabling statute\)](#)
- [2 C.F.R. Part 200 \(Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards\)](#)
- [BEAD Notice of Funding Opportunity \(NOFO\)](#)
- [BEAD Program Restructuring Policy Notice](#)
- [BEAD General Terms and Conditions](#)
- [Department of Commerce Standard Terms and Conditions](#)
- [DOM BEAD Subgrantee Agreement](#)

Monitoring and compliance reviews are designed to mitigate waste, fraud, and abuse, promote the timely and appropriate use of funds, and facilitate transparent reporting to stakeholders including the National Telecommunications and Information Administration (“NTIA”), the U.S. Department of Commerce, the Iowa General Assembly, and the public. It is assumed that any future guidance will also be incorporated into this plan.

2. Risk Assessment

Risk assessments are required to be performed by grant recipients under 2 CFR 200 for any subgrant awards. As such, all BEAD subrecipients will undergo risk assessments to evaluate certain criteria within program requirements to establish a baseline risk profile for the awarded projects. These assessments will evaluate each subrecipient’s capacity to manage federally funded broadband projects responsibly, focusing on financial stability, operational readiness, and compliance history. Risk assessments begin at the pre-award stage and continue throughout the life of the project.

In the pre-award phase, a review will be conducted of financial statements, audit history, project management capacity, and all required plans, including those related to cybersecurity and supply chain risk management in accordance with the National Institute of Standards and Technology (“NIST”) standards. Subrecipients must also meet NTIA requirements for financial

assurances, such as letters of credit or other approved instruments. While many of the same documents are used, the risk assessment is performed separately from the applicant evaluation for meeting managerial, organizational and financial requirements of the BEAD program, and is not part of the overall project evaluation and scoring.

Following the award, a risk-based monitoring plan will be implemented. Subrecipients will be categorized by risk level, with higher-risk entities receiving more frequent oversight, which may include desk reviews, site visits, or other monitoring as necessary to mitigate risk. Monitoring will focus on financial performance, deployment progress, compliance with Build America, Buy America (BABA) provisions, and other BEAD program obligations. Risk will be reassessed periodically and whenever issues arise, such as performance delays or potential non-compliance findings.

3. Financial Management

Subrecipients must implement and maintain robust financial management systems aligned with applicable federal and state regulations. Financial systems must support the proper stewardship of federal funds by promoting cost-effective project execution, maintaining transparency, and upholding accountability for program-funded expenditures.

Subrecipients are required to follow Generally Accepted Accounting Principles (GAAP) or other standard accounting practices to establish systems that facilitate accurate, current, and complete financial reporting. This includes maintaining detailed source documentation for all transactions, establishing internal controls to prevent waste, fraud, and abuse, and segregating duties among staff to promote accountability. Expenditures must be regularly compared to the approved project budget, and any budget deviations must receive prior approval in accordance with BEAD program requirements.

Cash management procedures must minimize the time between the receipt and disbursement of federal funds. Subrecipients must account separately for all program income and matching contributions, supported by appropriate documentation. Examples of documentation collected are annual financial audits, financial records include ledgers for general activity, cash receipts and disbursements, fixed assets, and budget control.

4. Reimbursement Process

Grantees receiving awards will be considered “subrecipients” and the awards will be considered Fixed Amount Subawards for purposes of federal law. (2 C.F.R. § 200.1 (definition of “fixed amount awards”); 2 C.F.R. § 200.201; 2 C.F.R. § 200.333). The awards made pursuant under the Iowa BEAD program will be subject to all requirements imposed on Fixed Amount Subawards under 2 C.F.R. part 200, as well as applicable federal programmatic guidance that allows for reimbursement review, including the Tailoring the Application of the Uniform Guidance to the BEAD Program Policy Notice and the BEAD Restructuring Policy Notice.

Reimbursements are limited to eligible costs that have been actually incurred in connection with the broadband deployment project, as outlined in the subgrantee agreement. All reimbursed expenditures must directly support the delivery of qualifying broadband activities and must fall within the allowable funding categories defined in the NTIA and DOM NOFO/NOFAs.

For the Iowa BEAD program, the submission of reimbursement requests is to be based on each project's progression, so financial support is aligned with completed milestones. The draw schedule is as follows:

- **Draw 1: 10% of project total** upon approval of the budget, compliance documentation, and submission of the engineering design certified by a professional engineer.
- **Draw 2: 25% of project total** upon completion of at least 25% of the project build. In the case of an LEO capacity subgrantee, upon the subscription rate reaching at least 25%.
- **Draw 3: 10% of project total** upon completion of at least 35% of the project build. In the case of an LEO capacity subgrantee, upon the subscription rate reaching at least 35%.
- **Draw 4: 25% of project total** upon completion of at least 60% of the project build. In the case of an LEO capacity subgrantee, upon the subscription rate reaching at least 60%.
- **Draw 5: 10% of project total** upon completion of at least 75% of the project build. In the case of an LEO capacity subgrantee, upon the subscription rate reaching at least 75%.
- **Draw 6: 20% of project total** upon 100% project completion, including submission of all required completion documentation and successful performance testing.

Note that the above schedule may be modified if subrecipients complete project milestones faster than anticipated. Accelerated progress will not result in penalties or delays in reimbursement.

Eligible reimbursable costs include, but are not limited to:

- Costs directly relating to the construction, improvement and/ or acquisition of facilities and telecommunications equipment required to provide Qualifying Broadband or faster Broadband service, including infrastructure for backhaul, middle and last-mile networks and multi-tenant buildings necessary for the Applicant to Facilitate service to Eligible Service Locations identified in Applicant's Core Application and forming the basis of the Project;

- Deployment of internet and Wi-Fi infrastructure within the eligible multi-family residential building;
- Permitting, planning, architectural design, engineering design, and work related to environmental, historical, and cultural reviews;
- Personnel costs including salaries and fringe benefits for staff and consultants required for directly carrying out a Project;
- Network software upgrades, including, but not limited to, cybersecurity solutions;
- Training for cybersecurity professionals who will be working on BEAD-funded networks;
- Pre-award expenses should be clearly identified in the proposed budget. Allowability of pre-award expenses will be determined in accordance with the NTIA BEAD NOFO;
- Costs incurred prior to four years following execution of the Grant Agreement.

Ineligible costs include but are not limited to expenditures that are:

- Related to land, buildings, structures, improvements, or equipment not directly used in the transmission of data via Broadband;
- Related to the process of removing existing Broadband Infrastructure, fixtures, or other real property in preparation of the installation of new Broadband Infrastructure forming the basis of the Project;
- Indirect labor costs or administrative overhead;
- Passthrough expenditures with respect to subcontractors or other third parties operating on an Applicant's behalf to the extent they are not the result of arm's length transactions or are not reflective of fair market rates;
- Identified as ineligible expenditures pursuant to any BEAD requirements;
- Acquisition of spectrum licenses;
- Operating expenses;
- Short-term operating leases;
- Payment of interest or principal on outstanding debt instruments, or other debt service costs;

- Fees or issuance costs associated with the issuance of new debt, including the cost to acquire a Letter of Credit or Performance Bond;
- Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially-confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding;
- To support or oppose collective bargaining. This does not affect the ability to use funds to comply with 41 C.F.R. 60-1.4; or
- Any other expenditures that are not reimbursable under Applicable Law, rule, or policy, as may be more fully defined and described in the Grants Management Policies and Procedures Guide.

Subrecipients must verify that all reimbursement requests are supported by complete and accurate documentation. Only those costs that are necessary, reasonable, and clearly connected to the execution of BEAD-funded projects will be approved for reimbursement. Proper recordkeeping and adherence to both state and federal compliance requirements are essential.

BEAD subrecipients must meet federal and state cost principles. All costs charged to the Iowa BEAD Program must be necessary, reasonable, and directly related to eligible broadband deployment activities.

5. Reporting Requirements

To facilitate effective oversight and compliance with federal and state requirements, subrecipients are required to submit periodic reports that document both programmatic progress and financial performance. These reports serve to inform DOM of the project's status and to confirm that adequate resources are available to support successful completion. All reporting must be timely, complete, and submitted in accordance with the terms of the subgrantee agreement.

Subrecipients will provide ongoing status reports at least quarterly throughout the duration of the project as defined by DOM. These reports must include, at a minimum:

- Updates on project activities, including the status of make-ready work, permitting, and construction milestones.
- Identification of any material changes to the project scope, schedule, or make-ready costs since the original application.
- Identification of any issues that may impact timely completion of the project.

Should a subrecipient notify DOM that they will be unable to meet their designated project completion date, either through the Quarterly Status Report or directly, a formal extension request process will be initiated. Through this process, DOM will evaluate the circumstances surrounding the delay and the progress achieved to date, determine whether the extension request is justified, and assess if the overall project remains aligned with the program's intent. If it is determined that the extension is necessary and reasonable for the project, DOM will permit accordingly.

6. Reporting Process

BEAD subrecipients funding must comply with a formal reporting process to support transparency and accountability.

- **Key Performance Indicators (KPIs):** Subrecipients must regularly report on defined KPIs, such as locations served, infrastructure deployed, and milestone progress, to demonstrate project performance.
- **Fiscal Reporting:** Detailed financial reports are required, including itemized expenditures and budget comparisons, to demonstrate that all costs are allowable, reasonable, and properly supported.
- **Unspent Funds:** Any unexpended funds must be disclosed, with an explanation for delays or timeline adjustments. Continued retention may require justification and could lead to reallocation or recapture.
- **Obligations:** Subrecipients must report all financial obligations to show progress toward full fund utilization.
- **Expenditures:** All disbursements must be documented and reported by category and date, in alignment with the approved budget and federal cost principles.

Upon completion of the project, subrecipients may be required to submit geospatial data detailing the network infrastructure deployed within the awarded project area. In terms of reporting, DOM has a designated broadband reporting portal to verify the progress and completion of each service location.

All submitted data will be reviewed and validated against internal records to confirm the accuracy of the reported buildout and to identify any discrepancies. If any deviations are identified that differ from the original project scope or budget, a review will be conducted to assess whether the awarded funding remains appropriate. Adjustments may be made as necessary to align funding with the actual scope completed.

7. Site Visits

As part of its oversight responsibilities, DOM may conduct site visits to monitor the progress and compliance of BEAD-funded projects. The frequency of site visits determined by DOM may be based on the subrecipient's assessed risk level, as determined by the risk assessment. See example below.

- **Low-Risk Subrecipients:** Subject to one site visit annually, or a single closeout site visit if the project duration is approximately 12 months or less.
- **Medium-Risk Subrecipients:** Required to participate in two site visits per year, typically scheduled on a semiannual basis.
- **High-Risk Subrecipients:** Must undergo quarterly site visits to facilitate closer monitoring and timely identification of potential issues.

DOM may increase or decrease the number of site visits based on the results of periodic risk assessments conducted or the results of previously performed monitoring activities during the course of an awarded project.

8. Audit Requirements

As outlined in the subgrantee agreement, subrecipients of BEAD funding must comply with federal audit standards set forth in 2 CFR 200.501. Subrecipients are required to participate in monitoring activities, including pre-award and post-award audits, as applicable.

As part of its oversight responsibilities, DOM will carefully review single audit reports submitted by subrecipients. Particular attention will be given to findings that could signal weakness with financial management, internal controls, or compliance practices that may impair the subrecipients ability to carry out the project or responsibly manage federal funds. This review will allow DOM to assess risk, implement target support or corrective actions, and safeguard the integrity of program investments.

Under the Uniform Guidance, all non-federal entity subrecipients are subject to the audit requirements in 2 CFR 200.501(f), including ISPs. Non-federal entity subrecipients are required to submit single audits or program-specific audits to the Federal Audit Clearinghouse (FAC), the government-wide repository for audits of financial assistance programs. For-profit subrecipients are not subject to Subpart F but are subject to the terms and conditions in the award between a federal awarding agency and the State of Iowa, and, pursuant to 2 CFR 200.501(h), subrecipients must comply with the audit requirements and provide a copy of any audit to DOM.

Per the DOM NOFA, subrecipients that are subject to an audit for any fiscal year within the period of performance are required to submit audit documentation through the State of Iowa's system for award management, IowaGrants, within 30 days after receipt.

9. Specific Award Condition (SAC) Requirements

DOM will comply with the recipient-specific SAC requirements inclusive of subrecipients.

DOM may also impose special award conditions for each milestone dependence on the risk of the subrecipient identified in the risk assessment, including, but not limited to certification by a professional engineer or additional financial documentation.