



United States  
Department of  
Agriculture

Rural Development

# Community Connect Grant Program Application Guide for Fiscal Year 2018



Rural Utilities Service  
Telecommunications Program

March 2018

## Table of Contents

Introduction and General Information .....	3
Changes for 2018: .....	6
Applying for a Grant .....	7
Completing the Grant Application.....	10

## **Introduction and General Information**

### **Rural Utilities Service Telecommunications Program**

#### **Community Connect Grant Program**

The Community Connect Grant Program is designed to provide financial assistance to provide service at the Broadband Grant Speed in rural, economically-challenged communities where broadband service does not currently exist. Grant funds may be used to: (1) deploy service at the Broadband Grant Speed to critical community facilities, rural residents, and rural businesses, (2) construct, acquire, or expand a community center, and (3) equip a community center that provides free access to service at the Broadband Grant Speed to community residents for at least two years. Grants will be awarded on a competitive basis for entities to serve all premises in eligible rural areas at the Broadband Grant Speed to ensure rural consumers enjoy the same quality and range of broadband services as are available in urban and suburban communities.

#### **!! BEFORE YOU GET STARTED!!**

You must read:

7 CFR 1739, Subpart A

And Notice of Solicitation of Applications (NOSA) published in the Federal Register on **MARCH 15, 2018**.

The regulation **MUST** be used in conjunction with this Application Guide. Should any differences result in the interpretation of this Application Guide and the regulation, the regulation takes precedence over information contained in this Application Guide.

**For additional information concerning this grant program, please contact:**

**Loan Origination and Approval Division, Telecommunications Program**

(202) 720-0800 or Email: [community.connect@wdc.usda.gov](mailto:community.connect@wdc.usda.gov).

**Additional information and forms are available on our website at:**

<http://www.rd.usda.gov/programs-services/community-connect-grants>

**When and Where to Submit Application:**

**GRANT applications must be postmarked by:**

**MAY 14, 2018**

Applications must be submitted in **EITHER** of the following two ways:

- 1) Electronically via [www.grants.gov](http://www.grants.gov)
- 2) Postmarked, shipped, or hand-delivered paper copy of a completed application, with original signatures, accompanied by an electronic version in the form of a CD-ROM or USB Flash Drive. The paper application and the CD-ROM/USB Flash Drive must be submitted to:

**Deputy Assistant Administrator  
Loan Origination and Approval Division  
Rural Utilities Service  
STOP 1597, Room 2844  
1400 Independence Ave., SW  
Washington, D.C. 20250-1597**

Due to the possible disruptions in mail delivery service, applicants are strongly encouraged to submit applications via express mail or hand delivery to our office.

**Applicants that submit their applications after the deadline noted above will be notified that their applications will not be considered for funding and their applications will be returned.**

Prior to official submission of applications, applicants may request technical assistance or other application guidance from the Agency, as long as such requests are made prior to April 30, 2018. Technical assistance is not meant to be an analysis or assessment of the quality of the materials submitted, a substitute for agency review of completed applications, nor a determination of eligibility, if such determination requires in-depth analysis. The Agency will not solicit or consider scoring or eligibility information that is submitted after the application deadline. The Agency reserves the right to contact applications to seek clarification information on materials contained in the submitted application.

### **Applications Delivered by Mail:**

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Paper applications must show proof of mailing or shipping consisting of one of the following:

1. A legibly dated U.S. Postal Service (USPS) postmark;
2. A legible mail receipt with the date of mailing stamped by the USPS; or
3. A dated shipping label, invoice, or receipt from a commercial carrier showing the commercial carrier received the package on or before the application submittal deadline. Self-generated shipping labels where the actual pickup by the carrier occurs after the application submittal deadline are not acceptable.

If an application is sent through the USPS, neither of the following will be accepted as proof of mailing:

1. A private metered postmark; or
2. A mail receipt that is not dated by the USPS.

Applicants should note that the USPS does not uniformly provide a dated postmark. Before relying on this method, an applicant should check with its local post office.

### **Applications Delivered by Hand:**

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Applications delivered by hand will be accepted daily between 8:00 a.m. and 4:30 p.m. (Eastern Time), except Saturdays, Sundays, and Federal holidays. Individuals delivering applications must provide proper identification to enter the building.

### **Applications Submitted Electronically:**

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**Electronic applications will only be accepted when submitted through the Grants.gov website.** Applications will not be accepted via facsimile machine transmission or electronic mail.

<https://www.grants.gov>

Before submitting an application on-line, the Rural Utilities Service (RUS) strongly encourages you to obtain all necessary sign-ups, credentials and authorizations well in advance of the deadline.

All Community Connect grant applicants must register with the System for Award Management (SAM), the primary vendor database for the US Federal government, before applying for federal funding. This includes applicants submitting both electronic and paper applications. Applicants may register with SAM at <https://www.sam.gov/> or by calling 1-877-332-8277. Applicants should keep in mind that it can take up to ten business days to register with SAM, so applicants should plan accordingly and begin the process well in advance of the application deadline. In order to register with SAM, your organization will need a Data Universal Numbering System (DUNS) number.

In addition, Grants.gov requires some one-time credentialing and online authentication procedures. These procedures may take several business days to complete. Several requirements



on Grants.gov call for an annual update; applicants should also ensure that their credentials and authorizations are up-to-date.

The Grants.gov website, like all web facilities, has finite capacity. If several federal grant programs have the same application deadline date, periods of site overloading can be experienced. Please plan accordingly.

Please follow the instructions at Grants.gov. If you experience a technical problem retrieving or submitting an electronic application, contact the Grants.gov customer support resources (click the "Customer Support" tab on any page of Grants.gov to get started). RUS staffers do not control the technical aspects of Grants.gov and won't be able to help you if you experience a problem. However, we are available to answer questions about the Program and the contents of an application.

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### **Changes for 2018:**

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The 15 points available in previous years for Special Consideration Areas (Trust and Tribal Jurisdictional, Strike Force, and Promise Zone areas) have been eliminated. Scoring is addressed in further detail later in this guide.

The definitions for Broadband Service and the Broadband Grant Speed have both been increased from the levels in previous fiscal years.

### **Major Definitions and Limits:**

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#### **1. Grant Request Limits**

- a The minimum grant request amount is: \$100,000
- b The maximum grant request amount is: \$3,000,000

#### **2. Broadband Speeds**

- a Broadband Service means any terrestrial technology having the capacity to provide transmission facilities that enable subscribers of the service to originate and receive high-quality voice, data, graphics, and video at the minimum data rate of ten (10) megabits per second downstream and one (1) megabit per second upstream for both fixed and mobile service. Any proposed service area that is currently served with broadband service is ineligible to receive funding.
- b Broadband Grant Speed means the minimum data rate of twenty-five (25) megabits per second downstream and three (3) megabits per second upstream for both fixed and mobile service that an applicant must propose to deliver to every customer in the proposed funded service area in order for the Agency to approve a broadband grant.

- 3. Proposed Funded Service Area (PFSA) – Applications will serve one proposed funded service area. Applicants define their PFSA by using the web based RUS Mapping Tool. The PFSA must be a single contiguous geographic area that may consist of a single or

multiple community(ies), a single or multiple county(ies), and may be located in more than one State. The entire PFSA must be rural with no Broadband Service available. It is important to note that all premises (households & businesses) in the service area must be offered service at the Broadband Grant Speed.

4. Matching Fund Contribution - The match the applicant is required to contribute towards the project remains at 15 percent of the requested grant amount. The match must be in cash and can be used to fund operations or facilities of the project. The match must be in the form of cash that is available at closing. In-kind contributions are not eligible to be used to satisfy the required match.
5. Operating Expenses – Operating expenses are not an eligible grant purpose, with the exception of the following:
  - a Bandwidth expenses to provide free broadband service at the Broadband Grant Speed to all the Critical Community Facilities for two years; and,
  - b Leasing of facilities which may include spectrum, land, towers or buildings that are used to deploy service at the Broadband Grant Speed.
6. Community Center – Grant funds for the community center will be limited to the lesser of 10% of the requested grant amount or \$150,000. If grant funds are used for the construction of a community center, then the building must reside on property owned by the applicant.

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## Applying for a Grant

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### Grant Processing

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Completed applications must be postmarked, hand-delivered, or submitted through <https://www.grants.gov> by May 14, 2018 in order to be considered for funding. Grant applications will be reviewed and scored in accordance with the provisions of 7 CFR 1739.

### Applicant Eligibility

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Only entities legally organized as one of the following are eligible for funding:

- a) An incorporated organization,
- b) An Indian Tribe or tribal organization, as defined in 25 U.S.C. 450b(e),
- c) A state or local unit of government, or
- d) A cooperative, private corporation or limited liability company organized on a for-profit or not-for-profit basis.

**NOTE: The applicant may not be an individual or partnership.**

Applicants must have the legal capacity and authority to own and operate the broadband facilities as proposed in the application, to enter into contracts and to otherwise comply with applicable federal statutes and regulations. If the applicant is seeking to partner with another entity to

operate the system, an agreement or draft agreement to do so must be provided with the application. This agreement must address the specific financial terms of this partnership and the specific entity/entities must be identified, along with their qualifications to operate the system. Applications which rely on such a partnership but do not provide pertinent details will be rejected, as RUS cannot determine the technical and financial feasibility of the project lacking such information. RUS may consider an application based on such an agreement submitted with the application, but if the application is ultimately awarded, RUS reserves the right to require modifications to such agreements if they are found to contain terms which are unacceptable to RUS.

Whether applying electronically or by paper, all applicants are required to supply a Dun and Bradstreet Data Universal Numbering System (DUNS) number and register in the System for Award Management (SAM).

### **Project Eligibility**

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To be eligible for a grant, the Project must:

- Serve a Proposed Funded Service Area (PFSA) where Broadband Service (10 Mbps/1 Mbps) does not currently exist, to be verified by RUS prior to the award of the grant. The PFSA is defined as a contiguous geographic area within an eligible rural area. When determining if a PFSA has no existing Broadband Service, we encourage applicants to refer to the Federal Communication Commission as one of their sources (<https://broadbandmap.fcc.gov> or <https://www.fcc.gov/reports-research/maps>, though the applicant is responsible for ensuring no service is available.
- Offer service at the Broadband Grant Speed to ALL residential and business customers within the PFSA.
- Offer service at the Broadband Grant Speed, free of all charges for at least 2 years starting from the time service becomes available to each Critical Community Facility (e.g. public schools, public libraries, public medical clinics, public hospitals, community colleges, public universities, law enforcement, and fire and ambulance stations) located within the PFSA.
- Provide a Community Center located in the PFSA, with at least two (2) Computer Access Points and wireless access at the Broadband Grant Speed (25 Mbps/3 Mbps), free of all charges, to users for at least 2 years and open and accessible to the public before, during and after normal working hours and on Saturdays or Sundays. Working hours are generally understood to be 9 am- 5 pm and at least 40 hours a week, though the applicant should address the specific needs of their community. Up to 10 Computer Access Points may be funded with grant funds.
- Not overlap with the service areas of current RUS borrowers and grantees.

### **Eligible Grant Purposes**

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Grant funds may be used to finance:

1. The construction, acquisition, or leasing of facilities, including spectrum, land, towers or buildings, used to deploy service at the Broadband Grant Speed to all residential



- and business customers located within the PFSA and all participating Critical Community Facilities, including the funding for at least two (2) but no more than ten (10) Computer Access Points to be used in the Community Center. Buildings constructed with grant funds must reside on land owned by the applicant. Leasing costs will only be covered for a three-year period during the advance of funds period which will be listed in the award documents.
2. The improvement, expansion, construction, or acquisition of a Community Center that is used for providing free access to service at the Broadband Grant Speed, provided that the Community Center is open and accessible to area residents before, during, and after normal working hours and on Saturday or Sunday. Grant funds provided for the Community Center shall not exceed the lesser of 10% of the total grant amount requested or \$150,000. The costs of the computer access points, their installation, or connection to the broadband system are not included in this limitation.

- Note:** If the total construction cost of the Community Center exceeds the maximum limit mentioned above, it will be the responsibility of the applicant to finance the additional costs.
3. The cost of providing the necessary bandwidth to provide service at the Broadband Grant Speed free of charge to the Critical Community Facilities for 2 years.

***NOTE: All equipment purchased for this Project must be new or non-depreciated.***

#### **Ineligible Grant Purposes**

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1. Grant Funds may not be used to finance the duplication of any existing Broadband Service provided by other entities.
2. Operating expenses are ineligible with the exception of lease costs for facilities used to deploy broadband service and bandwidth expenses. All other operating expenses can be funded by the required matching contribution. The cost associated with the leasing of building space for a Community Center is ineligible for grant funding. However, the matching contribution can be used for this purpose.

**NOTE:** Costs incurred by the applicant, or others on behalf of the applicant, for facilities, installed equipment, or other services rendered prior to submission of a completed application, shall not be considered as eligible grant or match purposes.

#### **Matching Funds Requirement**

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When the application is submitted, the awardee must provide or demonstrate available cash reserves equal to at least 15% of the total amount of financial assistance being requested. Matching contributions must be used solely for the Project. Those selected for a Community Connect Grant Program award must submit quarterly schedules to RUS that identify how the match contribution was used to support the project until the total contribution is expended.

Matching funds shall be in the form of **cash** and can be used for any expenses related to the project, including any operating expenses.

Ineligible sources of matching contributions:

1. Manufacturer or service provider discounts.
2. In-kind contributions.
3. Income generated from the proposed project.
4. Any financial assistance from Federal sources unless there is a Federal statutory exception authorizing the Federal financial assistance to be considered as a matching contribution.
5. All non-cash items.

**Any applicant submitting multiple applications for financial assistance must demonstrate that it has the financial resources to support all submitted applications.** For example, if three applications are submitted by one entity and each application proposes to fulfill the matching requirement through \$100,000 in cash, then the applicant must demonstrate that it has at least \$300,000 in cash on hand at the time applications are submitted.

### **Completing the Grant Application**

This section addresses all of the information that must be submitted in order for an application to be deemed complete and considered for funding. Please make sure that all the necessary information is included in the appropriate section.

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| A. Standard Form 424, SAM Registration and Other Documentation | G. Community-Oriented Connectivity Plan                  |
| B. An Executive Summary of the Project                         | H. Financial Information and Sustainability              |
| C. Scoring Criteria Documentation                              | I. A Statement of Experience                             |
| D. System Design   | J. Additional Funding                                    |
| E. Service Area Map and Demographics                           | K. Compliance with Other Federal Statutes and Regulation |
| F. Scope of Work   |  |

## **Application Checklist**

Please download the checklist from our web site at [https://www.rd.usda.gov/files/CC\\_Application\\_Checklist\\_Final.xlsx](https://www.rd.usda.gov/files/CC_Application_Checklist_Final.xlsx). Please fill out, sign and date the check list and attach the signed checklist to your application. Schedules K-3, K-5, K-6, K-7, and K-8 do not need to be printed and signed separately, the applicant acknowledges they are certified to by signing the checklist. For K-5 and K-6 attach a narrative explaining the answers to the questions contained in the form. The rest of the certifications must be signed and included in the application (except K-9 if the applying entity is not a corporation). If you have any questions about your application, please contact RUS prior to submitting the application and certification.

### **A. Standard Form 424, SAM Registration and Other Documentation**

The following Schedules must be included in this Section:

#### **Schedule A-1**

All applicants requesting funding under the Community Connect Grant Program must complete the Standard Form 424, Application for Federal Assistance (SF 424). A copy of the form and instructions has been attached to this document. Additional instructions for specific line items also are included below. The form and any attachments referenced in this Guide can also be found on our website at <http://www.rd.usda.gov/programs-services/community-connect-grants>.

#### **Schedule A-2**

Proof of SAM registration. The SAM registration must be in place on or before the date of application submittal and must remain active, with current information, at all times during the time when an entity has an application under consideration by an agency or when the entity has an active Federal award. To remain registered in the SAM database after the initial registration, applicants are required to review and update, on an annual basis, from the date of the initial registration or any subsequent updates made to their information, the SAM database to ensure it is current, accurate and complete. To complete this section of the application, provide the SAM Cage Code assigned when you registered. For this schedule, please provide a printout of your organization's SAM registration, which clearly identifies the CAGE code assigned by SAM.gov and confirms the registration was active before the application was submitted.

#### **Additional Instructions for SF-424 Form**

**Block 8:** There are multiple entries in this block. We will use the contact information provided in this box for all contact and correspondence. Please complete this in full and attach a sheet if you want to provide additional contacts. It is crucial that we have accurate information, including a reliable e-mail address for rapid correspondence. Otherwise, correspondence will be sent by mail. You must provide full, accurate contact information for someone with the authority to answer any questions that RUS staff may have about your application.

If you wish to supply a contact from outside your organization, attach a letter immediately behind the SF-424 listing these items: person's name, organization, contact information (phone, fax, e-mail, mailing address), relationship to your organization. Make sure the letter contains language granting authority to the person to answer our questions or provide additional information on your behalf, and any time limit you wish to apply to that person's authority. This letter must be signed by the signatory on the SF-424.

As required by the Office of Management and Budget, **all applicants for grants must supply a Dun and Bradstreet Data Universal Numbering System (DUNS) number.** Call Dun and Bradstreet (1-866-705-5711) to obtain a DUNS number. The following website will provide you with more information:

<http://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns-number.html>

**Block 10:** The Name of the Federal Agency is Rural Utilities Service.

**Block 11:** The Catalog of Federal Assistance Number is 10.863.

**Block 12:** Funding Opportunity Number is RDRUS-CC-2018. The Title is “Community Connect Grant Program”.

**Block 14:** Please provide the name of the Community(ies), County(ies), and State(s) where the grant funds will be used.

**Block 15:** Brief descriptive title of project.

**Block 16:** Please provide the Congressional District(s) for the service area you are proposing to cover in your project.

**Block 19:** Please select “C” “Program is not covered by E.O. 12372”.

**Block 20:** You must supply an explanation of the delinquency if you check “yes”.

**Block 21:** Please be sure to check “I agree”. The application must be signed by an authorized representative of the organization that will own and operate the project if the grant is awarded. If the authorized representative is not a corporate officer, evidence must be included that demonstrates that the authorized representative has authority to obligate the organization.

## **B. An Executive Summary of the Project**

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The Executive Summary of the project is one of the most important parts of the application. It gives reviewers their first overall view of the area to be served, what problems the residents face, and how the proposed project will help alleviate those problems, increase quality of life, and provide enhanced opportunities for businesses and rural residents. This is your opportunity to discuss the core aspects of the project. Be clear and provide convincing links between the project and the benefits to the Proposed Funded Service Area (PFSA).

**The Executive Summary must provide a general project overview covering the following six categories:**

1. A description of the PFSA and why the project is needed;
2. A description of the applicant which includes but is not limited to, the history of the organization and any past or current projects and community related activities or awards;
3. An explanation of the total Project costs;
4. A general overview of the broadband system to be constructed, including the types of equipment, technologies, and facilities that will be used;
5. Documentation describing the procedures used to determine the unavailability of existing Broadband Service in the PFSA. Applicants are encouraged to refer to the Federal Communication Commission's National Broadband Map, contact the appropriate General Field Representative (GFR) (<https://www.rd.usda.gov/contact-us/telecom-gfr>) and to contact the local phone and video providers serving the PFSA in order to determine if Broadband Service is available. In order to provide this documentation, applicants can complete a table like the one below:

<b>Resource</b>	<b>Contact Person</b>	<b>Results</b>
FCC	N/A	Consulted FCC data and it does not appear that Broadband Service is available within the PFSA.
Local Phone Companies	VP of Operations	The VP of Operations confirmed that the company does not offer, nor do they intend to offer, Broadband Service anywhere in the PFSA.
Local Video Companies	President	The President confirmed that the company does not offer, nor do they intend to offer, Broadband Service anywhere in the PFSA.

<b>Resource</b>	<b>Contact Person</b>	<b>Results</b>
Local WISP Serving Within the County	Owner	The owner confirmed that the company does not offer, nor do they intend to offer, Broadband Service anywhere in the PFSA.

A list of the participating Critical Community Facilities (such as schools, public medical clinics, police and fire departments, public hospitals, etc.) and evidence that any remaining Critical Community Facility located in the PFSA has rejected the offer for free service at the Broadband Grant Speed. This can be in the form of a letter preferably on official letterhead from the organization, if available. The Community Center must be addressed and to the extent it depends on other entities, these commitments should be addressed (letters of intent, lease agreements, etc.)

At the end of the Executive Summary, please provide a section noted “Publicly Releasable Project Description” which contains the following information:

1. Title of Project
2. Proposed Funded Service Area Description
3. Brief Description of Project

Any information included in this section may be released to interested parties inquiring about your application, so please provide an adequate description of the project, but do not include any information you would object being released to the public. Please clearly denote the section which you agree is publicly releasable, including where the releasable description begins AND ends.

### **C. Scoring Criteria Documentation**

The ranking of the benefits of the Project will be based on documentation in support of the need for services, benefits derived from the proposed services, characteristics of the Proposed Funded Service Area (PFSA), local community involvement in planning and implementation of the Project, and the level of experience of the management team. In ranking applications the Agency will consider the following criteria based on a scale of 100 possible points:

#### ***1. PFSA Needs (up to 50 points):***

An analysis of the challenges found within the PFSA using the following criteria, and discussion of how the Project proposes to address these issues:

- a The economic characteristics. Describe the economic conditions of the PFSA including current quality of life, household income, unemployment data, employment by sector (manufacturing, agriculture, retail, etc.), and any major employers in the area. Scored out of 15 points with a preference to areas with low



- income compared to the state MHI, high unemployment, and overall economic trend (stagnant or declining economic characteristics will score higher).
- b Educational challenges. Describe the challenges facing educational institutions within the PFSA and provide an assessment of these institutions' current use of technology (e.g., distance learning programs, computer classes, use of online tools for classroom presentations by instructors and students). In addition, describe in detail how the proposed project will not only increase but improve the use of technology at these institutions. Scored out of 15 points with preference given to applications that have specific support of challenges identified with support for these challenges.
  - c Health care needs. Provide a complete list of public medical clinics and hospitals in the PFSA and their current use of broadband services, if any, such as telemedicine. Statements can be provided from medical professionals describing their need for broadband services to provide advanced medical technology and describe how the proposed project can support these advances. Scored out of 10 points with preference given to applications that have specific support of health care needs identified and a full proposal for how the project will improve health care conditions.
  - d Public safety issues. Include a listing of police, fire and rescue services which cover the PFSA. Address the current state of any public safety issues and how the proposed project will lead to improvements of the technology being used. Scored out of 10 points with preference given to applications that have specific support of issues provided and fully address how the project will improve these public safety issues.

## ***2. Stakeholder Involvement (up to 40 points):***

Documentation that demonstrates the extent of participation and support by local residents and Critical Community Facilities in the Project's planning, development, and implementation. The application should include evidence of local involvement in such activities as community meetings, public forums, and surveys. Preference will be given to applications that provide support from residential, business, and local, state or Federal interests shown to be within the PFSA applied for. Support letters should address specific needs and where there is interest in participating in the project (donation of space for the Community Center, for example) should specifically document that intent.

## ***3. Management Experience (10 points):***

Qualifications and ability of the key personnel who will construct, manage, and operate the broadband system. Include any past experiences and successes of operating a broadband system which is similar to the proposed broadband system.

### ***Note: Administrator Consideration***

In making the final selection among and between applications with comparable rankings and geographic distribution, the Administrator may take into consideration the characteristics of the PFSA. Only information that is provided in the application will be considered; therefore, RUS strongly encourages the applicant to specifically address each of the following criteria to differentiate their application(s) from other applications:

- a Persistent poverty counties that will be served within the PFSA;
- b Out-migration communities (continuous movement of population out of the community) that will be served within the PFSA;
- c The rurality of the PFSA;
- d The speed of broadband service that is offered to all the subscribers in the PFSA;
- e Substantially Underserved Trust Areas (SUTA) that will be served within the PFSA. If the Administrator determines that a community in “trust land” (as defined in section 3765 of title 38, United States Code) has a high need for the benefits of the Community Connect Program, he may designate the community as a “substantially underserved trust area” (as defined in section 306F of the RE Act) ;
- f Community members with disabilities that will be served within the PFSA;
- g Any other additional factors that may be outlined in the NOFA.

## **D. System Design**

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The system design contains all the technical information on the applicant's existing (if applicable) and the proposed system. The following information must be included in this section:

1. A detailed description of the existing network, if applicable, which includes the following:
  - a. The current service area(s).
  - b. The types of services (voice, video and/or data) offered and the number of subscribers taking each type of service.
  - c. The total number of establishments served. For wireline networks, specify the number of establishments passed with the network. For wireless networks, specify the total number of establishments covered by the network.
  - d. The types of technologies used in the network.
  - e. A description of the current connection to the Internet Service Provider (ISP).
2. A detailed description of the proposed network which includes the following:
  - a. The PFSA as proposed in the application.
  - b. Any upgrades that will be made to the existing network, if applicable.
  - c. The types of services (voice, video and/or data) to be offered in the PFSA.
  - d. The types of technology to be deployed in the PFSA and how the technology will facilitate the offering of service at the Broadband Grant Speed.
  - e. The estimated number of establishments to be served. Provide detailed information showing that all households and businesses within the PFSA will be offered broadband service at the Broadband Grant Speed when the system is complete.
  - f. A description of the proposed connection to the ISP and any changes needed to the existing system to accommodate additional capacity, if any.
3. A description of the design parameters used in engineering the system. Examples include oversubscription ratio calculations, bandwidth consumption per user, link loss, data rates per link, redundancy requirements, and technical specifications.
4. A description of any licenses and/or agreements required to construct and operate the network and the status of securing those licenses/agreements.
5. A network diagram (Schedule D-1) of the applicant's existing network (if applicable) and the proposed network. This diagram shall be a block diagram that clearly shows how the traffic flows through the network from the interconnection points with the backbone service providers to the end users. The following information must be shown on the network diagram:
  - a. The location of the critical community facilities, the proposed community center, and all major network elements.
  - b. The route miles between each network element.
  - c. The bandwidth capacity between the network elements.
  - d. The types of facilities (fiber, copper, microwave, etc.) that are or will be used for establishing the connection between the network elements and the points-of-connection with the backbone service providers.
  - e. The location of any leased facilities and the owner of these facilities.

6. Information on environmental compliance. Applicants must complete and submit an Environmental Questionnaire (Schedule D-2) in accordance with 7 CFR 1970, for any facilities that will be constructed with Community Connect Grant Program funds. A copy of 7 CFR Part 1970 can be retrieved from: <http://www.ecfr.gov/cgi-bin/text-idx?SID=4893726df467c812bc13ae8339b86220&mc=true&node=pt7.14.1970&rgn=div5>.

**NOTE:** When designing and constructing the network proposed in the application, the applicant must adhere to all federal, state, and local requirements. Therefore, it is strongly recommended that the System Design be prepared by a registered engineer licensed in the State in which the facilities will be constructed or by qualified personnel on the applicant's staff with experience in designing the type of broadband system proposed in the application.

## Schedule D-2

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### *Community Connect Grant Program*

#### *Environmental Questionnaire*

Legal Name of Applicant:

#### **Overview**

The USDA Rural Utilities Service (RUS) is required to assess the impacts of proposed federal actions, such as the provision of financial assistance through the Community Connect Grant Program, to the human environment in accordance with the National Environmental Policy Act (NEPA), Section 106 of the National Historic Preservation Act (NHPA), the Endangered Species Act (ESA), and other federal, state, and local environmental laws. Community Connect Grant Program applicants must complete an Environmental Questionnaire (EQ) and submit it with their applications. The EQ provides information to RUS so that it can either complete the environmental review process or determine the appropriate level of additional impact analyses needed, in accordance with RUS Environmental Policies and Procedures, 7 CFR 1970

(<http://www.ecfr.gov/cgi-bin/text-idx?SID=4893726df467c812bc13ae8339b86220&mc=true&node=pt7.14.1970&rgn=div5>).

RUS will notify applicants if additional information or analyses are necessary beyond what was submitted in the EQ.

**No construction activities may begin until final environmental approval from RUS is granted.** In accordance with 7 CFR § 1970.12, awardees are prohibited from taking actions that may have an adverse environmental impact or limit the choice of practicable alternatives that may be considered until RUS has concluded the environmental review process. If the proposed project involves construction activities or property acquisition, the applicant is generally prohibited from acquiring, rehabilitating, converting, leasing, repairing or constructing property or facilities, or committing or expending Agency or non-Agency funds until after RUS has concluded its environmental review requirements.

An applicant may submit to RUS a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local or other federal agencies. Such material, to the extent determined to be relevant, may be used to fulfill RUS environmental review requirements.

Applicants shall not reference items provided in other parts of the application package in the EQ; all materials relevant to the EQ must be integrated herein to facilitate timely review.

## Requested Information

- A. **Project Description and Location:** Describe all project-related construction activities, including, but not limited to, the construction or renovation of a community center, the construction and installation of cable (buried and/or aerial), and/or the installation of telecommunications transmission facilities including construction of new towers and/or collocations. Complete descriptions, locations and mapping must be provided for each site affected by project-related construction activities (recommend U.S. Geological Survey 7.5-minute quadrangle maps at a map scale of 1:24,000; larger scale maps may be provided for site-specific proposals). USGS maps may be obtained and purchased at the following website: <http://www.usgs.gov/pubprod/maps.html>. All project elements, if known at the time of the application, must be clearly depicted on any map provided. If appropriate, photographs or aerial photographs of site-specific proposals may be provided.
- B. **Land Use:** Describe the amount of property to be cleared, excavated, fenced, or otherwise disturbed by the proposed project, and the current land use and zoning for each project site affected by construction. Document whether the proposed project is located on public land owned or managed by the federal government. For information related to federal lands see the following website (<https://navigator.blm.gov/home>). This website provides cadastral survey and land management information and data from the National Integrated Land System specifically the distribution of the Public Land Survey System (PLSS), other survey-based data, and federal land boundaries. Detailed guidance related to evaluating impacts related to land use can be found in Subpart L of Rural Development's Environmental Policies and Procedures (<https://www.rd.usda.gov/files/19701.pdf>)
- C. **Wetlands:** Describe and indicate whether wetlands are present on or near the project site(s) affected by proposed construction (maps of wetlands may be obtained from the U.S. Fish and Wildlife Service's National Wetland Inventory website (<http://www.fws.gov/wetlands/>), or from soil maps obtained from the USDA, Natural Resource Conservation Service's website (<http://www.nrcs.usda.gov/wps/portal/nrcs/site/soils/home/>), focusing on areas of hydric soil(s)). If wetlands are identified within the project area, please document where the project components will be located in relation to the identified wetland areas. Detailed guidance related to evaluating impacts to wetlands can be found in Subpart G of Rural Development's Environmental Policies and Procedures (<https://www.rd.usda.gov/files/1970g.pdf>)
- D. **Threatened and Endangered Species:** Describe and indicate whether any proposed project site(s) will directly or indirectly affect any threatened, endangered or candidate species, or is/are within or near critical habitats. Applicants must provide species lists and appropriate species accounts (i.e. requisite habitat) for each county affected by construction obtained from the U.S. Fish and Wildlife Service's website (<http://ecos.fws.gov/ipac/>). Information about potential critical habitat areas can also be found on the U.S. Fish and Wildlife Service's website [noted](#) above. The attached Environmental Review Fact Sheet gives further detail on the information to provide.



Detailed guidance related to evaluating impacts to threatened and endangered species can be found in Subpart N of Rural Development's Environmental Policies and Procedures (<https://www.rd.usda.gov/files/1970n.pdf>).

- E. **Floodplains:** Describe and indicate whether or not any facility(ies) or site(s) are located within a 100-year or 500-year floodplain. If any project-related construction activities are within floodplains, a copy of a Flood Insurance Rate Map (FIRM) that depicts construction activities must be included. Information related to floodplains and National Flood Insurance Maps may be obtained from the Federal Emergency Management Agency's (FEMA) website (<https://msc.fema.gov/portal/>). Detailed guidance related to evaluating impacts to and from floodplains can be found in Subpart F of Rural Development's Environmental Policies and Procedures (<https://www.rd.usda.gov/files/1970f.pdf>).
- F. **Coastal Areas:** Determine whether or not the project is within the boundaries of a coastal zone management area (CZMA). For boundary related and contact information related to CZMA, see National Oceanic and Atmospheric Administration, Office of Ocean and Coastal Resource Management's website (<https://coast.noaa.gov/>). Detailed guidance related to evaluating impacts to coastal areas can be found in Subpart O of Rural Development's Environmental Policies and Procedures (<https://www.rd.usda.gov/files/1970o.pdf>).
- G. **Brownfields:** Determine whether the project is located within a brownfield site. Per 42 U.S.C. 9601, the term "brownfield site" means real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. Maps and locations of sites, facilities and properties that have been contaminated by hazardous materials and are being, or have been, cleaned up under EPA's Superfund, RCRA and/or brownfields cleanup programs can be found at the EPA's Cleanups in My Community website (<https://www.epa.gov/cleanups/cleanups-my-community>). Detailed guidance related to evaluating impacts from locating projects at brownfield sites can be found in Subpart J of Rural Development's Environmental Policies and Procedures (<https://www.rd.usda.gov/files/1970j.pdf>).
- H. **Section 106 Review:** Applicants are delegated the authority to initiate consultation with State Historic Preservation Officers (SHPOs) and engage with interested tribes related to their projects. Prior to initiating any communications, please see the attached Environmental Review Fact Sheet to determine whether the proposed project will require such communication. In some cases, statewide programmatic agreements may apply, please contact RUS for more information. Detailed guidance and template letters related to evaluating impacts to historic and cultural resources can be found at Subpart H of Rural Development's Environmental Policies and Procedures (<https://www.rd.usda.gov/files/1970h.pdf>).

### **Applications Subject to FCC Section 106 Reviews**

Applicants who propose to use Federal Communications Commission (FCC) spectrum for their telecommunications towers and collocations should note that the FCC has regulatory requirements for licensing radio spectrum to be carried by these facilities, and an established review process for ensuring compliance with Section 106 of NHPA. If the proposed tower or collocation will use FCC licensed spectrum, regardless of the height of the telecommunications tower, applicants must complete FCC's Section 106 review process – see: [http://wireless.fcc.gov/siting/historic\\_preservation.html](http://wireless.fcc.gov/siting/historic_preservation.html). If an application proposes a tower or collocation that will carry FCC spectrum, RUS has agreed that FCC will conduct Section 106 review for those facilities.

### **Applications Not Subject to FCC Section 106 Reviews or Statewide Programmatic Agreements**

RUS will conduct Section 106 review for any new tower or collocation which will not carry FCC regulated spectrum and any other construction component of an application not subject to FCC review. Please follow the guidance in the attached Environmental Review Fact Sheet and in Subpart H of Rural Development's Environmental Policies and Procedures to include all applicable information in the EQ (<https://www.rd.usda.gov/files/1970h.pdf>).

### **Additional Assistance/Contact Information**

In addition to the resource specific references provided above, general NEPA related information and guidance can be found on the CEQ website (<https://www.whitehouse.gov/ceq/>) or on the environmental section of the RUS website at <https://www.rd.usda.gov/publications/environmental-studies/environmental-guidance>.

For information related to Section 106 of NHPA, see the Advisory Council on Historic Preservation website at <http://www.achp.gov/docs/CitizenGuide.pdf>.



## Community Connect Environmental Reviews

This table provides a general list describing the level of environmental review and extraordinary circumstances to address for typical simple projects. These guidelines do not guarantee the appropriate classification nor do they guarantee that more documentation will not be needed based on site specific circumstances.

If you are applying to do this for your CCG project:	These are the anticipated environmental review requirements and the categorical exclusion that would likely apply:
<b>1. Actions Outside a Plant</b>	
a. Buried cable	1970.53(d)(2); 1970.54(b)(4) depending on if new or replacement. If using 1970.53(d)(2), no further action for NHPA is required. If using 1970.54(b)(4), need to contact SHPO and tribes for S106 review. Need to avoid wetlands or identify why project must be in a wetland.
b. Aerial cable – existing cable, possibly with new poles	1970.53(d)(1); 1970.54(b)(4) depending on if new or replacement. If using 1970.53(d)(2), no further action for NHPA is required. If using 1970.54(b)(4), need to contact SHPO and tribes for S106 review.
c. Underground cable	1970.53(d)(2); 1970.54(b)(4) depending on if new or replacement If using 1970.53(d)(2), no further action for NHPA is required. If using 1970.54(b)(4), need to contact SHPO and tribes for S106 review. Need to avoid wetlands or identify why project must be in a wetland.
<b>2. Towers</b>	
a. New construction	1970.54(a)(6), if under 450 feet and not visible from areas of documented scenic value. Will need to consider impacts to prime farmland and listed species. Maps regarding floodplains and wetlands are generally needed. Need to contact SHPO and tribes for S106 review.
b. Existing towers, equipment collocation only	1970.53(d)(5), no further action for NHPA is required
c. Equipment put on building instead of tower	1970.53(d)(5), no further action for NHPA is required
<b>3. Buildings</b>	
a. New building	1970.54(a)(3) – if it meets other requirements of the categorical exclusion. Will need to consider impacts to prime farmland and listed species. Maps regarding floodplains and wetlands are generally needed. Need to contact SHPO and tribes for S106 review.
b. Modular building	1970.54(a)(3) Need to contact SHPO and tribes for S106 review. Will need to consider impacts to prime farmland and listed species. Maps regarding floodplains and wetlands are generally needed.
c. Renovating existing building	1970.53(c)(2) Need to contact SHPO and tribes for S106 review. Impacts of siting project in floodplain may need to be addressed.
<b>4. Equipment</b>	
a. Within existing building	1970.53(c)(2) Need to contact SHPO and tribes for S106 review.
b. Outside in a field	1970.54(b)(4) Need to contact SHPO and tribes for S106 review. Will need to consider impacts to prime farmland and listed species. Maps regarding floodplains and wetlands are generally needed.

Any activity categorized under 1970.54 is a Categorical Exclusion with an Environmental Report. This means all potential extraordinary circumstances must be discussed to some degree, including wetlands and floodplains. For example, applicants should not just state “no floodplain or wetlands” and end the discussion there. Applications should include supporting information such as a map. If a resource is present, applicants should describe and support how the project will not have an adverse impact to the resource. For example, if the project is in the floodplain but there are no above ground structures to impact or be impacted by any floods. Or there is a wetland in the project area, but the line will be directionally bored under the wetland to avoid any impact.

Section 106 review information regarding the National Historic Preservation Act can be found in subpart H of our regulations ([link below](#)), and DOES require coordination with the State Historic Preservation Office and notification to any federally recognized tribes that have an interest in the area (details and template letters can be found in subpart H).

Endangered Species Act (ESA) review is also generally needed for each project. Depending on the type of project, a simple commitment may be enough to alleviate any concern. The following steps should be taken to expedite the review:

1. Go to IPaC ([link below](#)) and print off an official species list for the area your project impacts. If no species are on the list, include the list and move on.
2. If any species are on the list but based on the type of project, they would NOT be impacted, write up a few sentences explaining that, include it in your report, and move on. This is often the case if you are in an already maintained ROW.
3. If a species is present and COULD be affected, such as any species of bat and you are doing tree clearing, more commitments/limitations or coordination with US Fish & Wildlife Service (USFWS) may be required to conclude that the action is “not likely to adversely affect” the species. Using IPaC may assist you in concluding any consultation with USFWS. Also, subpart N ([link below](#)) has more details on ESA requirements.
4. Bat and beetle species are the two most likely to actually be impacted by any of these actions. US FWS has extensive information on them and what should be done to avoid any adverse impacts and conclude consultation.

## Helpful Links

List of <a href="#">1970.53</a> and <a href="#">1970.54</a> Categorical Exclusions from our regulations	
<a href="#">Subpart H</a>	Historic and Cultural Resources
<a href="#">Subpart N</a>	Biological Resources
<a href="#">Subpart L</a>	Land Use and Formally Classified Land, for more details regarding prime farmland
<a href="#">IPaC</a>	Assistance for ESA coordination and determinations

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**Note: It is imperative an applicant start the consultation process with applicable agencies, if required, before submitting the application. If consultation is required, but evidence that process has begun is not provided, or if special or high sensitivity issues are not adequately addressed, RUS may deem that application to be incomplete and reject the application on that basis. Engage relevant agencies early, and be aware of any significant issues before applying, consider designs that bypass sensitive areas, and work to fully address the requested information.**

## **E. Service Area Demographics**

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The PFSA must be electronically mapped using the RUS web-based Mapping Tool which can be accessed at <https://broadbandsearch.sc.egov.usda.gov/>. The PFSA will be assigned a Mapping Tool Reference Number. The Mapping Tool Reference Number must be submitted in the following format: XXXX-XXXX-XXXX-XXXX. When multiple Community Connect Applications will be submitted, each PFSA should be mapped separately (i.e. not in the same “Application” in the Mapping Tool) in the Mapping Tool and have a unique Mapping Tool Reference Number assigned; Mapping Tool Reference Numbers provided should have only one associated PFSA. **YOU MUST PROVIDE THE MAPPING TOOL REFERENCE NUMBER IN YOUR APPLICATION, RUS CANNOT LOOK UP YOUR MAP INDEPENDENTLY. FAILURE TO INCLUDE A MAPPING TOOL REFERENCE NUMBER IN YOUR APPLICATION WILL CAUSE YOUR APPLICATION TO BE DEEMED INCOMPLETE, AND THE APPLICATION WILL BE REJECTED.**

Demographic information, including the total population and the total number of households and the businesses that are located in the PFSA, must also be provided. These statistics should be obtained from the most recent data available by the U. S. Census Bureau at <http://www.census.gov/> and can be supplemented with more current information. If updated information is used, please identify the source to allow RUS to validate your submission. Below is a suggested format for providing your reference number and demographic information as part of this section.

### **Service Area Demographics**

#### **Mapping Tool Reference Number:**

<b>Service Area Name</b>	<b>Population</b>	<b>Households</b>	<b>Businesses</b>

## **F. Scope of Work**

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The scope of work must include the following:

1. A description of the specific activities and services to be performed under the project.
2. Who will carry out the activities and services.
3. A construction build-out schedule and project milestones, showing the time-frames for accomplishing the Project objectives and activities on a quarterly basis (Schedule F-1). This schedule should list all the major network build-out phases and milestones to demonstrate that the network deployment will be completed and the grant purposes



will be fulfilled within the designated grant period. A sample format is available for download at [https://www.rd.usda.gov/files/Schedule\\_F1.pdf](https://www.rd.usda.gov/files/Schedule_F1.pdf).

4. A detailed budget (Schedule F-2) of all expenditures related to eligible Grant purposes. The budget should include a descriptive name for each capitalized item or group of items in each category. The expenditures will be divided into two categories: costs related to the Broadband System and to the Community Center. The budget will also note if the costs will be funded by grant funds and/or other sources of funding. A sample budget is included in this section, and available for download as an Excel file at [https://www.rd.usda.gov/files/Schedule\\_F2.pdf](https://www.rd.usda.gov/files/Schedule_F2.pdf). Applicants are strongly encouraged to provide their budget in this same format, modifying or adding lines as necessary to provide sufficient detail to evaluate your proposal. A brief description of each budget category is provided on the sample budget to assist in determining which items should fall under each category, though applicants should modify this description to address the specific items included in the project budget. **The total grant funds shown on the budget must be the same as those listed on the Application for Federal Assistance (SF 424).**

**NOTE:** Any ineligible items included in the budget will not be considered for grant funding and could affect the eligibility of the application. All capital expenditures necessary for carrying out the project must be included in the budget, whether the costs will be funded with grant funds or not, e.g. if the Community Center and provision of computers will be funded with the applicants own funds, these costs must still be captured on the budget since otherwise it has not been demonstrated that a Community Center will be implemented. Grant application budgets will also be reviewed to determine cost allowability. Review factors affecting cost allowability will be determined by 2 CFR 200 which is available at [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

## **G. Community-Oriented Connectivity Plan**

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The provision of broadband service is vital to the economic development, education, health, and safety of rural Americans. To further this objective, RUS will provide financial assistance to eligible entities that propose to provide broadband service that fosters economic growth and delivers enhanced educational, health care, and public safety services. The “broadband connectivity” concept integrates the deployment of broadband infrastructure with the practical, everyday uses and applications of the facilities.

Specifically, RUS will provide financial assistance to eligible entities that are proposing to deploy service at the Broadband Grant Speed in an eligible rural service area where Broadband Service does not currently exist; who will connect the Critical Community Facilities including the local schools, libraries, hospitals, police, fire and rescue services; and who will operate a Community Center that provides free and open access to residents. A Community Center will not only provide improved access but will aid rural residents in developing on-line businesses and will allow them to reap the benefits of Internet-based advanced placement courses, and continuing adult education. Priority will be given to rural areas that have the greatest need for broadband services. The applicant must provide a community-oriented connectivity plan consisting of the following:

1. A list of all Critical Community Facilities located in the PFSA, including public schools, public libraries, public medical clinics, public hospitals, community colleges, public universities, law enforcement, and fire and ambulance stations. The applicant must provide documentation of consultation with these groups, including commitments to participate or not to participate in the proposed project. For example, applicants can complete a table like the one below and provide supporting documentation to show the type of consultations that have taken place and any commitments that have been made.

<b>Critical Community Facility</b>	<b>Contact Person</b>	<b>Type of Commitment</b>
Local Library	Contact Name	Will provide a room in the library to use as the Community Center.
Local Elementary School	Contact Name	Will provide a staff member to conduct training on basic computer use once the Community Center is operational.

2. A description of the services that will be available to local residents and businesses located in the PFSA.

3. A description of the activities that will be made available through the Community Center and the hours that the Community Center will be open to the public. **Specifically address business hours in the community, and how the hours of operation you propose meet the requirement the center be open before, during, and after normal working hours, and on Saturday and/or Sunday.**
4. A description of the consultations with the appropriate telecommunications carriers (including inter-exchange carriers, cable television operators, enhanced service providers, providers of satellite services, and telecommunication equipment manufacturers and distributors serving the PFSA) and the anticipated role of such providers in the proposed telecommunications system.

## **H. Financial Information and Sustainability**

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The applicant must provide a narrative description demonstrating sustainability of the project from the commencement of the construction to completion and beyond the grant period; the sufficiency of resources; how the matching requirement is met; and the expertise necessary to undertake and complete the project. The following financial information is required:

1. If the applicant is an existing company, it must provide complete copies of audited financial statements, if available, for the two fiscal years preceding the application submission. If audited statements are unavailable, the applicant must submit unaudited financial statements for those fiscal years. This information must be provided separately from the Pro-Forma workbook provided by RUS as Schedule H-1 or H-2. Applications from start-up entities must, at a minimum, provide an opening balance sheet dated within 30 days of the application submission date.
2. Annual financial projections in the form of a balance sheet, income statement, and statement of cash flows for a forecast period of five years, which prove the sustainability of the project for that period and beyond. This Pro-Forma Financial Forecast must be inclusive of the applicant's existing operations and the proposed project, and must be supported by a detailed narrative that fully explains the methodology and assumptions used to develop the projections, including details on the number of subscribers projected to take the applicant's service.

**Please note that applicants must submit only one of the following Schedules based on the number of Community Connect Grant Program applications they are submitting to the RUS during the 2018 Fiscal Year:**

Only ONE Application

Use Schedule H-1 (<https://www.rd.usda.gov/files/ScheduleH-ProForma5-YearFinancialForecastSingleApplication.xls>)

TWO or MORE Applications

Use Schedule H-2 (<https://www.rd.usda.gov/files/ScheduleH-2-ProForma5-YearFinancialForecastMULTIPLEApplications.xls>)

Both Schedules H-1 and H-2 include separate worksheets, consisting of a Pro-Forma Income Statement, Balance Sheet, and Statement of Cash Flows. However, if an applicant is required to submit Schedule H-2, this Schedule must include the following:

- (1) A Pro-Forma Financial Forecast of the applicant's existing operations only, if any.
- (2) A Pro-Forma Financial Forecast of the applicant's existing operations (if any) and proposed project.
- (3) A Pro-Forma Financial Forecast of the applicant's existing operations (if any) and **all** proposed projects showing what would happen if all applications submitted were funded. These applicants must also include a list of assumptions to support their submitted Pro-Forma Financial Statements.

**It is the applicants' responsibility to ensure they have sufficiently demonstrated the feasibility of their individual projects and any combination of projects which could be funded by the RUS.**

The financial forecast must cover at least five years and be inclusive of ALL operations of the applicant (that is, both existing and proposed). It will be used by the RUS to determine whether the proposed project is financially feasible and sustainable and whether this is a viable operation.

The projections must include detailed financial assumptions, included as Schedule H-3, taking into account the applicant's best estimates for start-up costs (if any), revenues, expenses, ability to make a profit and all financial data related to any subsidiaries.

### **Tips for Successful Application**

- Ensure that the appropriate Schedule is prepared by a financial consultant, accountant, or individual qualified to prepare financial forecasts.
- Follow the guidance on developing financial projections in this section.
- Ensure that the RUS can determine exactly how every line item was calculated in each forecast year.
- Ensure that the information you provide is consistent with the details of other sections in your application. This includes historical financial statements, subscriber projections and service tiers, and Scope of Work.
- Pro-Forma financial statements must be for the applicants and co-applicants, not for parent organizations.

### **General Pro-Forma Financial Forecast Guidance**

Every Pro-Forma Financial Forecast consists of an Income Statement, Balance Sheet, and Statement of Cash Flows. Columns should be clearly labeled with the appropriate year. Start-up

organizations can leave the historical columns blank, except for the opening Balance Sheet, which should be included in the historical column immediately prior to the forecast years.

Historical and forecast years can be based on either calendar years or fiscal years, but if the applicant reports by fiscal years, the applicant should note the fiscal year period in the Assumptions which must accompany the Pro-Forma Financial Forecast.

The statements should also contain all of the applicant's regulated and non-regulated operations. Revenues, expenses, assets, liabilities, and related cash flow transactions of non-regulated operations should be included in detail in the financial forecast.

### **Pro-Forma Income Statement Guidance**

Schedules H-1 and H-2 are pre-populated with preferred revenue and expense categories. Applicants are encouraged to use these exact categories in order to facilitate processing applications. If an applicant chooses to not employ this template, or otherwise modify Schedules H-1 or H-2 template categories, the applicant must provide a sufficient level of detail to enable a reasonable level of understanding of the financial position of the existing operations combined with operations derived from the proposed project.

The following is a brief description of the pre-populated revenue and expense categories contained on the Income Statement worksheet in this template.

#### **REVENUES**

- i. Network Services Revenues
  - a. Local Voice Service revenues are derived from the provision of local voice services to customers. Local voice service revenues should relate to the number of local voice service subscribers and price per subscriber information contained in the Pro-Forma Financial Assumptions. This should include revenue from residential, single-line businesses, multi-line businesses, and optional features.
  - b. Broadband Data Service revenues are derived from the provision of broadband data services to customers. Broadband data service revenues should relate to the number of subscribers and price per subscriber information contained in the Pro-Forma Financial Assumptions.
  - c. Video Service revenues are derived from the provision of video services to customers. Video service revenues should relate to the number of video service subscribers and price per subscriber information contained in the Pro-Forma Financial Assumptions. This should include set-top box revenue, basic, expanded basic, digital, premium channel packs and video on demand subscribers.
- ii. Middle Mile Revenues are derived from the provision of services related to a Middle Mile network, including transport and interconnection services. Middle

Mile revenues should relate to the number of Middle Mile subscribers and price per subscriber information contained in the Pro-Forma Financial Assumptions.

- iii. Network Access Service Revenues are derived from the provision of exchange service to an interexchange carrier or to an end user of telecommunications services beyond the exchange carrier's network.
- iv. Universal Service Fund revenues are funds received by the applicant from the various universal service fund programs, both federal and state.
- v. Toll Service/Long Distance Voice revenues are derived from the provision of services beyond the basic service area, whether message or flat-rate and including public network switching as well as private.
- vi. Installation Revenues are derived from the installation of network equipment, typically at the customer's establishment that allows the provision of services. Installation revenue should relate to gross subscriber additions and proposed installation fees.
- vii. Amortized Grant Revenues are recognized from Community Connect or other grants.
- viii. Other Operating Revenues are all other revenues derived from sources other than those described above.
- ix. Uncollectible Revenues are the estimated amounts of revenue that you will not be able to collect.

## **EXPENSES**

- i. Backhaul expenses are associated with transporting voice and broadband data network traffic from the customer premises equipment (CPE) or handset to the point of interconnection to the Internet.
- ii. IP/Interconnection expenses are associated with interconnecting with and transferring traffic across the Internet.
- iii. Video Content expenses are related to the provision of video services revenue and consist of video programming costs and fees.
- iv. Spectrum expenses are related to leasing spectrum from others in a wireless services network. Amortized spectrum acquisition expenses related to purchased spectrum should be included in the Amortization Expense category described below.
- v. Network Maintenance/Monitoring expenses are the personnel and related costs of maintaining/monitoring the network and customer premises equipment.
- vi. Utilities expense is the cost of utilities related to network operations.
- vii. Sales/Marketing expenses are all costs associated with marketing to and obtaining customers and subscribers, including salesperson compensation,



advertising and marketing promotions, and subsidies on customer premises equipment or handsets.

- viii. Customer Care expenses are the personnel and related costs of providing customer care operations to customers.
- ix. Corporate G&A expenses include personnel, occupancy, insurance, billing and collections, and other general and administrative expenses.
- x. Property Tax expenses are the costs incurred for state and local property taxes.
- xi. Other Operating Expenses are all other operating expenses not included above.

**Interest Income** is interest income earned from marketable securities and/or cash.

**Other Non-Operating Income (Expense)** is the net income (expense) derived from sources other than the applicant's primary telecommunications operations. **Amounts included in this category must be fully supported by the financial assumptions.**

**EBITDA** represents earnings before interest, taxes, depreciation, and amortization.

**Depreciation Community Connect Project Assets** is the depreciation expense related to all plant in service associated with the proposed Community Connect Grant project.

**Depreciation Other Assets** is the depreciation expense related to the plant in service not associated with the proposed Community Connect Grant project.

**Amortization Expense** is the amortization expense associated with intangible assets.

**Interest Expense – Existing Debt** is the interest cost associated with all existing outstanding debt, if any.

**Interest Expense - New Debt** is the interest cost associated with the applicant's new interest-bearing debt, if any.

**Income Taxes** are the provision or benefit for Federal and state income taxes related to a for-profit applicant.

**Net Income (Loss)** represents the net income (loss) for the historical or forecast year.

### **Pro-Forma Balance Sheet Guidance**

The Pro-Forma Balance Sheets must comply with basic GAAP requirements that state Total Assets must equal Total Liabilities and Total Equity, and loans are reflected with current and long-term positions for each Pro-Forma year. The following is a brief description of the pre-populated balance sheet categories contained on the Balance Sheet worksheet in this template.

## **ASSETS**

### **Current Assets**

- i. Cash includes all restricted and non-restricted cash balances.
- ii. Marketable Securities consists of all short-term investments of excess cash not required for on-going operations.
- iii. Accounts Receivable consists of amounts owed by customers and subscribers from the provision of services or the sale of equipment.
- iv. Other Current Assets consists of all other current assets not included above, including, but not limited to, Inventory, Notes Receivable and Prepayments.

### **Non-Current Assets**

- i. Amortizable Assets - Net consists of intangible assets less related accumulated amortization.
- ii. Plant in Service – Community Connect Project Assets contains the property and equipment at cost associated with the proposed Community Connect Grant project. Annual changes to this category should relate to the Capital Expenditures – Project Assets category included on the Statement of Cash Flows.
- iii. Accumulated Depreciation – Community Connect Project Assets consists of the accumulated depreciation of the proposed Community Connect Grant project. Annual changes to this category should relate to the Depreciation Expense – Project Assets category included on the Income Statement.
- iv. Plant in Service – Other Assets contains the property and equipment at cost of assets other than the accumulated depreciation associated with the proposed Community Connect Grant project. Annual changes to this category should relate to the Capital Expenditures – Other Assets category included on the Statement of Cash Flows.
- v. Accumulated Depreciation – Other Assets consists of the accumulated depreciation of assets included in the “Plant in Service –Other Assets” category. Annual changes to this category should relate to the Depreciation Expense – Other Assets category included on the Income Statement.
- vi. Other Non-Current Assets consists of all other non-current assets not included above.

## **LIABILITIES AND EQUITY**

### **Current Liabilities**

- i. Accounts Payable consists of the amounts owed to trade vendors.
- ii. Current Portion – Existing Debt consists of the total principal balance related to existing debt that will be repaid in the following year and should relate to

the “Proceeds from Existing Debt” and “Repayments of Existing Debt” categories included on the Statement of Cash Flows.

- iii. Current Portion – New Debt consists of the total principal balance related to all other of the applicant’s new debt, if any that will be repaid in the following year and should relate to the “Proceeds from New Debt” and “Repayments of New Debt” categories included on the Statement of Cash Flows.
- iv. Current Portion – Deferred Grant Revenue consists of the total amount of deferred grant revenue that will be recognized as revenue in the following year and should relate to Amortized Grant Revenue category included on the Income Statement. However, those applicants that are rate-regulated Telecom or Electric companies must continue to utilize the accounting required by the respective uniform system of accounts for those industries, which require that the plant accounts be reduced by the grant funds received as the grant funds are received.
- v. Other Current Liabilities consists of all other current liabilities not included above.

#### **Non Current Liabilities**

- vi. Existing Debt consists of the total outstanding principal balance related to the all existing sources of debt, if any, less the Current Portion – Existing Debt category.
- vii. New Debt consists of the total outstanding principal balance of all new debt, if any, less the Current Portion - New Debt category.
- viii. Deferred Grant Revenue: Grantees should account for revenue recognized from grants. This consists of the remaining unamortized grant revenue less the Current Portion – Deferred Grant Revenue category. Rate-regulated Telecom or Electric companies may leave this item blank.
- ix. Other Non-Current Liabilities consists of all other non-current liabilities not included above.

#### **Equity**

- x. Capital Stock consists of the par value of capital stock.
- xi. Additional Paid in Capital consists of all other capital stock transactions, less the amounts in Capital Stock.
- xii. Patronage Capital Credits represents earnings that have been designated for distribution to cooperative owners.
- xiii. Retained Earnings represent after-tax profits in the company. The changes from year to year must reconcile with the Net Income category included on the Income Statement.

## **Pro-Forma Statement of Cash Flows Guidance**

The Pro-Forma statement of cash flows must reflect the proposed Community Connect Grant project funding and investments as well as any additional funding for working capital and other capital expenditures for the applicant exclusive of the Grant project. The following is a brief description of the pre-populated cash flow categories contained on the Cash Flow worksheet in this template.

**Beginning Cash** represents cash balances at the beginning of the period.

### **Cash Flows from Operating Activities:**

- i. Net Income (Loss) is obtained from the Net Income (Loss) category on the Pro-Forma Income Statement.
- ii. Adjustments to Reconcile Net Income (Loss) to Net Cash Provided from Operating Activities:
  - a. Depreciation – Community Connect Project Assets is obtained from the Depreciation – Project Assets category on the Income Statement.
  - b. Depreciation – Other Assets is obtained from the Depreciation – Other Assets category on the Income Statement.
  - c. Amortization is obtained from the Amortization category on the Income Statement.
  - d. Less: Amortized Grant Revenues is obtained from the Amortized Grant Revenues category on the Income Statement.

### **Changes in Assets and Liabilities:**

- i. Accounts Receivable is the net change in the Accounts Receivable category on the Balance Sheet.
- ii. Other Current Assets is the net change in the Other Current Assets category on the Balance Sheet.
- iii. Other Non-Current Assets is the net change in the Other Non-Current Assets category on the Balance Sheet.
- iv. Accounts Payable is the net change in the Accounts Payable category on the Balance Sheet.
- v. Other Current Liabilities is the net change in the Other Current Liabilities category on the Balance Sheet.
- vi. Other Non-Current Liabilities is the net change in the Other Non-Current Liabilities category on the Balance Sheet.
- vii. Other Cash Flows from Operations are any other operating cash flows not captured in the above categories. These cash flows must be fully explained in the financial assumptions.

viii. Net Cash From Operating Activities

**Cash Flows from Investing Activities:**

- i. Capital Expenditures Community Connect Project Operations are the cash payments related to acquiring Plant in Service – Project Assets.
- ii. Capital Expenditures – Other Operations are the cash payments related to acquiring Plant in Service – Other Assets.
- iii. Additions to Amortizable Assets are the cash payments made to acquire amortizable assets.
- iv. Change in Marketable Securities - Net represents the net change in the Marketable Securities category of the Balance Sheet.
- v. Other Cash Flows from Investing are any other investing cash flows not captured in the above categories. These cash flows must be fully explained in the financial assumptions.
- vi. Net Cash From Investing Activities

**Cash Flows from Financing Activities:**

- i. Proceeds from Sale of Equity are the cash proceeds from the sale of Capital Stock.
- ii. Proceeds from Community Connect Grant are the cash grant proceeds received under a Community Connect grant.
- iii. Proceeds from Existing Debt are the cash loan proceeds received under existing loans, if any.
- iv. Proceeds from New Debt are the cash proceeds received from new sources of debt.
- v. Repayments of Existing Debt are the cash repayments of principal related to the all existing debt, if any.
- vi. Repayments of New Debt are the cash repayments of principal related to all new debt, if any.
- vii. Payments of Patronage Capital Credits are the cash payments made to the owners of cooperative associations.
- viii. Payments of Dividends are the cash payments of dividends to the owners of capital stock.
- ix. Other Cash Flows from Financing are any other financing cash flows not captured in the above categories. These cash flows must be fully explained in the financial assumptions.
- x. Net Cash from Financing Activities

### **Increase (Decrease) in Cash**

**Ending Cash** represents cash balances at the end of the period and should agree with the Cash category of the Balance Sheet.

### **Guidance Related to the Pro-Forma Financial Assumptions**

**Overview:** Applicants are required to submit a detailed written narrative that documents the various Pro-Forma financial assumptions used to prepare the Pro-Forma Financial Forecast, as Schedule H-3.

**Every category in the Pro-Forma financial statements must be explained with clear details so that the RUS may review and understand the basis for the financial projections. The assumptions must allow an RUS financial analyst to re-create the Pro-Forma financial statements. If the financial forecast is not fully supported by a detailed narrative for every category, it may affect the final decision on the application.**

While applicants are not required to utilize all of the categories in the worksheets, applicants must provide a sufficient level of detail to provide a reasonable understanding of existing and proposed operations, including the proposed Community Connect Grant project. Any modifications to the Pro-Forma financial statements submitted must adequately document, support, and justify the information in any modified categories.

### **Historical Financial Reconciliation**

If there are any gaps or discrepancies between the submitted historical financial statements and the historical data provided in the Pro-Forma Financial Forecast, applicants should include detailed explanations in the assumptions.

### **Income Statement Assumptions**

Applicants must provide assumptions for **ALL** the categories on the Income Statement. The detailed network plan should link to the Pro-Forma financial statements. Applicants should describe existing capacity and give its annual cost for backhaul, IP/interconnection, and/or spectrum and video. Include proposed capacity that will be necessary to serve subscribers as well as projected annual cost. Ensure that the annual cost totals for each category reconcile with the corresponding expense items.

Backhaul should include all transport costs for taking the applicant's network traffic to its providers. IP/Interconnection should include all IP traffic costs for providing service to users. Spectrum should include all spectrum costs for providing service to users (if applicable). Video content should include all costs associated with the provision of TV content to users (if applicable). Growth in these costs should generally correspond to projected subscriber growth for each of the various services, as applicable.

### **Balance Sheet Assumptions**

Applicants must provide assumptions for **ALL** the categories on the Balance Sheet.

**Statement of Cash Flows Assumptions** - The Cash Flow statement should tie to the net change in the various categories from the Balance Sheet. Net Income in each year should come directly from the Income Statement. Guidance concerning what should be included in the assumptions is outlined below.

**Accounting for Grant Funds** - When reporting RUS grant amounts on Pro-Forma financials or other documents submitted with your application, the grant amounts must be treated as revenue on a separate line item. Because this revenue is used to purchase capital assets, it must be amortized over the average useful life of the assets. Failure to use this accounting method can produce unfavorable outcomes in the financial review process. However, those applicants that are rate regulated Telecom or Electric companies must continue to utilize the accounting required by the respective uniform system of accounts for those industries, which require that the plant accounts be reduced by the grant funds received in the year of receipt.

**Example:** The example below demonstrates how to perform proper Grant Accounting for a project with a \$1,000,000 Community Connect grant.

**Step 1** - Determine the average/composite useful life of all the assets purchased for the project. This can be a weighted average useful life of all the asset categories from the Capital Project Budget. An example of how you might calculate this is below. These numbers are just an example, so your useful life might be different:

SUMMARY OF PROJECT COSTS	TOTAL CATEGORY SPEND	ENTER USEFUL LIFE BY CATEGORY	ESTIMATED ANNUAL DEPRECIATION
Network and Access Equipment	\$ 200,000	5	\$ 40,000
Outside Plant	\$ 200,000	20	\$ 10,000
Buildings and Land	\$ 100,000	20	\$ 5,000
Customer Premise Equipment	\$ 200,000	5	\$ 40,000
Operating Equipment	\$ 100,000	5	\$ 20,000
Professional Services	\$ 100,000	10	\$ 10,000
Other Upfront Costs	\$ 100,000	5	\$ 20,000
Total Project Costs and Avg Useful Life	\$ 1,000,000		\$ 145,000
Weighted Average Useful Life - calculated from useful life above		10.00	

**Step 2** - Account for the grant the year it is received.

Dr. Cash \$1,000,000

Cr. Deferred Grant Revenue \$900,000

Cr. Current Portion Deferred Grant Revenue \$100,000

Add the grant amount to your cash flow statement the year the funds are received under:  
Proceeds from Grant \$1,000,000

**Step 3** - Determine the annual Amortized Grant Revenue amount that will be added to revenue on the income statement:

Grant Amount divided by Composite Useful Life (\$1,000,000/10)

\$100,000 is the annual Amortized Grant Revenue

**Step 4** - Account for Grant Revenue every year of the forecast period and throughout the depreciable life of the assets:

Dr. Deferred Grant Revenue \$100,000

Cr. Amortized Grant Revenue \$100,000

On the Statement of Cash Flows, it is important to subtract this Amortized Grant Revenue amount every year in the Operating Activities section. Similar to the way Depreciation is added back in to the cash flow, Amortized Grant Revenue is subtracted.



**Proforma 5-Year Financial Forecast Workbook**  
**For Single Applications**

**Applicants must complete all three worksheets consisting of the Income Statement, Balance Sheet, and Statement of Cash Flows for any existing operations and all proposed projects. The workbook and instructions are available at:**

[rd.usda.gov/files/ScheduleH-1-ProForma5-YearFinancialForecastSingleApplication.xlsx](https://rd.usda.gov/files/ScheduleH-1-ProForma5-YearFinancialForecastSingleApplication.xlsx)

**Applicants should complete the entire workbook and include all of the worksheets in their application as Schedule H-1.**

**Proforma 5-Year Financial Forecast Workbook  
For Multiple Applications**

**Applicants submitting multiple applications must demonstrate each project is feasible and funds are available to cover each project's matching requirement. All worksheets must be completed for the Income Statement, Balance Sheet, and Statement of Cash Flows for any existing operations and all proposed projects. The workbook and instructions are available at:**

**[rd.usda.gov/files/ScheduleH-2-ProForma5-YearFinancialForecastMULTIPLEApplications.xlsx](http://rd.usda.gov/files/ScheduleH-2-ProForma5-YearFinancialForecastMULTIPLEApplications.xlsx)**

**Applicants should complete the entire workbook and include all of the worksheets in their application as Schedule H-2.**

## **I. Statement of Experience**

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Applicants must provide a written narrative describing their demonstrated capability and experience, if any, in operating a telecommunications system, or any project similar to the proposed project. The applicant must include the owner and principal employees' relevant work experience that would ensure the success of the project.

If the applicant is seeking to partner with another entity to operate the system, an agreement or draft agreement to do so must be provided with the application. This agreement must address the specific financial terms of this partnership and the specific entity/entities must be identified, along with their qualifications to assist in operating the system. Applications which rely on such a partnership, but do not provide pertinent details will be rejected, as RUS cannot determine the technical and financial feasibility of the project lacking such information. RUS will consider such an application on the basis of the submitted agreement, but may require modifications if an award is ultimately made if any terms of the agreement are found to be unacceptable to RUS.

## **J. Additional Funding**

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Applicants must contribute a Matching Contribution which is at least fifteen percent (15%) of the grant amount requested. The match must be in cash and available at time of closing to be used solely for the Project. All applicants must be able to demonstrate they have sufficient resources to construct, manage and sustain the project through and beyond completion.

A grant applicant must fulfill either items 1 or 2 below:

- 1) Applicant has sufficient cash on hand to fund the Matching Contribution for ALL applications submitted by the applicant. An applicant must demonstrate its financial wherewithal to do so by submitting a recent bank statement titled in the applicant's name. In addition, if the applicant has a significant part of its cash reserves which are from a third party loan or grant unrelated to the Community Connect project, the applicant must provide the amounts of such cash which is included in the bank statement and indicate whether such funds are available for the Community Connect project, and if not, how much of the cash on hand is not restricted for use on the Community Connect project. If RUS is aware that a significant amount of the cash shown on the bank statement may be unavailable for the project, but this amount is not specifically identified or the removal of a known quantity of unavailable cash would leave less than the 15% cash match requirement, RUS may reject the application on this basis.
- 2) Applicant has obtained sufficient funding commitments from another entity, outside the RUS grant, needed to complete ALL submitted applications. Satisfactory evidence to this effect must:
  - a. Be in the form of an agreement between the entity contributing funds and the applicant, or a letter from the entity to the applicant.

- b. Clearly state the name of the entity that is making the commitment to the applicant.
- c. Include the amount of the commitment.
- d. State the purpose of the commitment.
- e. Demonstrate the financial wherewithal of the entity making the commitment to the applicant, through a recent bank statement titled in the contributing entity's name.

**Those entities submitting multiple applications for funding must demonstrate that they have the financial wherewithal to support ALL applications if accepted, and that it can simultaneously complete and operate all of the projects under consideration.** For example, if three applications are submitted by one entity, each proposing to provide \$100,000 in cash to fulfill the Matching Contribution requirement, then the applicant must demonstrate that it has at least \$300,000 in cash on hand when they submit their applications. **Additionally, commitments for outside funding must be explicit that they will be available if not all applications are funded.**

**If the appropriate funding commitments are not included in the application, the application will be deemed ineligible for consideration.**

## **K. Compliance with Other Federal Statutes and Regulations**

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The applicant is required to submit evidence that it is in compliance with other Federal statutes and regulations as follows:

<b>Federal Statute/Regulation</b>	<b>Evidence of Compliance</b>	<b>Attachment</b>
7 CFR Part 15, Subpart A	<b>Assurance Agreement</b>  <a href="https://www.rd.usda.gov/files/ND_FormRD400-4_AssuranceAgreement.pdf">https://www.rd.usda.gov/files/ND_FormRD400-4_AssuranceAgreement.pdf</a>	K-1
2 CFR 417 - Nonprocurement Debarment and Suspension	<b>Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions</b>  <a href="https://www.ocio.usda.gov/document/ad-1047">https://www.ocio.usda.gov/document/ad-1047</a>	K-2
2 CFR part 418—New Restrictions on Lobbying	<b>Certification Regarding Lobbying for Contracts, Grants, Loans and Cooperative Agreements</b>  <b>Language is included on the following page, applicant agrees the language is certified to by including the signed Application Checklist.</b>	K-3**
2 CFR 421 Requirements for Drug-Free Workplace (Financial Assistance)	<b>Certification Regarding Drug-Free Workplace Requirements Alternative I- For Grantees other than Individuals</b>  <a href="https://www.ocio.usda.gov/document/ad-1049">https://www.ocio.usda.gov/document/ad-1049</a>	K-4
	<b>Certification regarding Flood Hazard Area Precautions</b>  <b>Language is included on the following page, applicant agrees the language is certified to by including the signed Application Checklist. Applicant must indicate whether or not any buildings which are part of the project fall within a 100 year flood plain.</b>	K-5

Federal Statute/Regulation	Evidence of Compliance	Attachment
	<p><b>Applicant Certification Federal Collection Policies for Commercial Debt</b></p> <p>Language is included on the following page, applicant agrees the language is certified to by including the signed Application Checklist. Applicant must indicate whether or not they are delinquent on any federal debt, as per the referenced language.</p>	K-6
2 CFR part 200, as adopted by USDA through 2 CFR part 400.	<p><b>Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Certification</b></p> <p>Language is included on the following page, applicant agrees the language is certified to by including the signed Application Checklist.</p>	K-7
	<p><b>Certification regarding Architectural Barriers</b></p> <p>Language is included on the following page, applicant agrees the language is certified to by including the signed Application Checklist.</p>	K-8
	<p><b>Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants</b></p> <p><a href="https://www.ocio.usda.gov/document/ad3030">https://www.ocio.usda.gov/document/ad3030</a></p>	K-9

**\*\*If** the applicant is engaged in lobbying activities, the applicant must submit a completed disclosure Standard Form LLL - “Disclosure of Lobbying Activities” available at:

<https://apply07.grants.gov/apply/forms/sample/SFLLL-V1.1.pdf>

## **Schedule K-3**

### ***Certification Regarding Lobbying for Contracts, Grants, Loans and Cooperative Agreements***

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. (Copies of this form may be obtained from the Rural Utilities Service.)
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

## **Schedule K-5**

### ***Certificate Regarding Flood Hazard Area Precautions***

If the project is located in an area subject to flooding, flood insurance must be provided to the extent available and required under the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 through 4128). If applicable, the insurance must cover, in addition to the buildings, any machinery, equipment, fixtures, and furnishings contained in the buildings. Rural Utilities Service will comply with Executive Order 11988, Floodplain Management (3 CFR, 1977 Comp., p. 117), and 7 CFR 1970, of this chapter in considering the application for the project.

Please provide an explanation below to the following questions:

Is The project is not located in a 100-year flood plain; therefore, no Flood Insurance is required?

Or

Is the project is located in a 100 year flood plain? If yes, who is or will be providing the required insurance.

Fill in your explanation:

The Applicant hereby certifies, that, as a prospective recipient under the Community Connectivity Grant Program, it is in compliance, or will be in compliance during construction and/or installation of equipment and upon completion of the project, with the above referenced law.



## **Schedule K-6**

### ***Federal Obligations Certification on Delinquent Debt***

**IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?**

**Note: Example of debts include, but are not limited to, delinquent taxes, guaranteed or direct government loans (more than 31 days past due) and other administrative debts.**

**If Yes, provide explanatory information.**

### **APPLICANT CERTIFICATION**

#### **FEDERAL COLLECTION POLICIES FOR COMMERCIAL DEBT**

The Federal Government is authorized by law to take any or all of the following actions in the event that a borrower's loan payments become delinquent or the borrower defaults on its loan: (1) Report the borrower's delinquent account to a credit bureau; (2) Assess additional interest and penalty charges for the period of time that payment is not made; (3) Assess charges to cover additional administrative costs incurred by the Government to service the borrower's account; (4) Offset amounts owed to the borrower under other Federal programs; (5) Refer the borrower's debt to the Internal Revenue Service for offset against any amount owed to the borrower as an income tax refund; (6) Refer the borrower's account to a private collection agency to collect the amount due; and (7) Refer the borrower's account to the Department of Justice for litigation in the courts.

All of these actions can and will be used to recover any debts owed when it is determined to be in the interest of the Government to do so.

## **Schedule K-7**

### ***Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Certification***

The Applicant assures that it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act), 42 U.S.C. 4601-4655, and with implementing Federal regulations in 49 CFR Part 24 and 7 CFR Part 21.

Specifically, the Applicant assures that:

Whenever Federal financial assistance is used to pay for any part of the cost of a program or project which will result in the displacement of any person:

- (a) Fair and reasonable relocation payments and assistance shall be provided to or for displaced persons in accordance with sections 202, 203, and 204 of the Uniform Act;
- (b) Relocation assistance programs offering the services described in section 205 of the Uniform Act shall be provided to displaced persons; and
- (c) Within a reasonable period of time prior to displacement, comparable replacement dwellings will be available to displaced persons in accordance with section 205(c) (3) of the Uniform Act.

## **Schedule K-8**

### ***Certificate Regarding Architectural Barriers***

All facilities financed with Rural Utilities Service grants that are open to the public, or in which physically handicapped persons may be employed or reside, must be designed, constructed, and/or altered to be readily accessible to, and usable by handicapped persons. Standards for these facilities must comply with the Architectural Barriers Act of 1968, as amended, 42 U.S.C. 4151 *et seq.*) and with the Uniform Federal Accessibility Standards (UFAS), (Appendix A to 41 CFR subpart 101-19.6).

As a prospective primary participant recipient of financial assistance from the Rural Utilities Service, this organization commits to carry out Rural Utilities Service established policy to comply with the requirements of the above referenced law to the effect that all facilities must be readily accessible to and usable by handicapped persons.

The Applicant hereby certifies, that, as a prospective recipient under the Community Connect Grant Program, it is in compliance, or will be in compliance upon completion of the project, with the above referenced law.