Rural Utilities Service
United States Department of Agriculture

RURAL UTILITIES SERVICE
Telecommunications Program

Community-Oriented Connectivity Broadband Grant Program
Application Guide
Fiscal Year 2016

Committed to the future of rural communities

Contents:

Rural Utilities Service Telecommunications Program
Community-Oriented Connectivity Broadband Grant Program

The Community-Oriented Connectivity Broadband Grant Program (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, published in the Federal Register on May 3, 2013.***

And

- ***Notice of Funds Availability (NOFA) published in the Federal Register on April 18, 2016.***

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.

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:

June 17, 2016

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

1) **Electronically** via www.grants.gov

OR

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 2808
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.

Applications Delivered by Mail:

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:

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:

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.

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 onGrants.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.

Changes for 2016:

Changes include:

1. Special Consideration Areas
   Points have been available to projects that provide broadband service within a trust area or tribal jurisdictional area, but the areas qualifying for these points have been expanded to include Promise Zones and Strike Force areas.

2. Broadband Service and Broadband Grant Speed
   Speed thresholds for application eligibility and buildout requirements increased from the speeds defined in FYs 2013-2015. See below for additional detail.

3. Legal Authority and Existence
   SAM.gov registration now stands in for this section of past years' application and no other documentation is required.

Major Definitions and Limits:

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 four megabits per second downstream and one megabit per second upstream for both fixed and mobile service. Any portion of the 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 ten megabits per second downstream and one megabit 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 can consist of a single or multiple communities; and several counties; and 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 part of the proposed System Design.

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 or placement of a modular building, then the building must reside on property owned by the applicant.

7. USDA Rural Development State Director Notification - Applicants are requested to complete a notification form which will be a public document that the RUS provides to USDA Rural Development State Directors and others. The notification shall include a brief project description and the location of the PFSA.

Applying for a Grant

Grant Processing

Completed applications must be postmarked, hand-delivered, or submitted through www.grants.gov by June 17, 2016 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

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.

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

Project Eligibility

To be eligible for a grant, the Project must:

- Serve a Proposed Funded Service Area (PFSA) where Broadband Service (4 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's National Broadband Map (http://www.broadbandmap.gov/) as one of their sources.

- 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 (10 Mbps/1 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. 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

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 or towers 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

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 an eligible grant or match purpose.

Matching Funds Requirement

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 they have 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.

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 provided for you on the following pages. 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.

Schedule A-3
USDA Rural Development State Director notification. Provide a brief description of the proposed project and the location of the PFSA. This notification will become a **public** document that the RUS may provide to the State Directors and others in the State(s) of the PFSA.

Schedule A-4
Survey Ensuring Equal Opportunity for Applicants. Nonprofit organizations (not including private universities) are asked to complete this Schedule; however, this survey is optional.

OMB Number: 4040-0004
Expiration Date: 8/31/2016

Application for Federal Assistance SF-424

* 1. Type of Submission:
- [ ] Preapplication
- [ ] Application
- [ ] Changed/Corrected Application

* 2. Type of Application:
- [ ] New
- [ ] Continuation
- [ ] Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:

* b. Employer/Taxpayer Identification Number (EIN/TIN):

* c. Organizational DUNS:

d. Address:

* Street1:

Street2:

* City:

County/Parish:

* State:

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code:

e. Organizational Unit:

Department Name:

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

* First Name:

Middle Name:

* Last Name:

Suffix:

Title:

Organizational Affiliation:

* Telephone Number:

Fax Number:

* Email:

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

11. Catalog of Federal Domestic Assistance Number:

CFDA Title:

*** 12. Funding Opportunity Number:**

* Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Attach supporting documents as specified in agency instructions.

Add Attachments | Delete Attachments | View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding ($):

* a. Federal

* b. Applicant

* c. State

* d. Local

* e. Other

* f. Program Income

* g. TOTAL

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on .

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☐ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☐ No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☐ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:

* First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number:

Fax Number:

* Email:

* Signature of Authorized Representative:

* Date Signed:

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 websites will provide you with more information:

http://www.whitehouse.gov/omb/grants/duns_num_guide.pdf

OR

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-2016**. 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". Per regulation 7 CFR 1739-Supplementary Information, this program is not subject to the requirements of Executive Order 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.

Schedule A-2

System for Award Management Registration Information

System for Award Management (SAM) registration

CAGE Code:____________

____ (Applicant) hereby certifies, that the SAM registration is active, with current information and complete.

____

Organization Name

____

Authorized Representative's Signature *Date*

____

Name Typed or Printed

Schedule A-3

USDA Rural Development State Director Notification

Title of Project:

Proposed Funded Service Area (PFSA) description:

Brief description of the project:

Schedule A-4
Survey Ensuring Equal Opportunity for Applicants

Purpose: The Federal Government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. In order for us to better understand the population of applicants for Federal funds, we are asking nonprofit private organizations (not including private universities) to fill out this survey.

Upon receipt, the survey will be separated from the application. Information provided on the survey will not be considered in any way in making funding decisions and will not be included in the Federal grants database. While your help in this data collection process is greatly appreciated, completion of this survey is voluntary.

Instructions for Submitting the Survey: If you are applying using a hard copy application, please place the completed survey in an envelope labeled "Applicant Survey." Seal the envelope and include it along with your application package. If you are applying electronically, please submit this survey along with your application.

Applicant's (Organization) Name:

____

Applicant's DUNS Number: ____________________________

Federal Program: ___________________________________

CFDA Number: ___________

1. Has the applicant ever received a grant or contract from the Federal government?

☐ Yes ☐ No

2. Is the applicant a faith-based organization?

☐ Yes ☐ No

3. Is the applicant a secular organization?

☐ Yes ☐ No

4. Does the applicant have 501(c)(3) status?

☐ Yes ☐ No

5. Is the applicant a local affiliate of a national organization?

☐ Yes ☐ No

6. How many full-time equivalent employees does the applicant have? (Check only one box).

☐ 3 or Fewer ☐ 15-50

☐ 4-5 ☐ 51-100

☐ 6-14 ☐ over 100

7. What is the size of the applicant's annual budget? (Check only one box.)

☐ Less Than $150,000

☐ $150,000 - $299,999

☐ $300,000 - $499,999

☐ $500,000 - $999,999

☐ $1,000,000 - $4,999,999

☐ $5,000,000 or more

SURVEY INSTRUCTIONS ON ENSURING EQUAL OPPORTUNITY FOR APPLICANTS

PROVIDE THE APPLICANT'S (ORGANIZATION) NAME AND DUNS NUMBER AND THE GRANT NAME AND CFDA NUMBER.

1. Self-explanatory.
2. Self-identify.
3. Self-identify.
4. 501(c)(3) status is a legal designation provided on application to the Internal Revenue Service by eligible organizations. Some grant programs may require nonprofit applicants to have 501(c)(3) status. Other grant programs do not.
5. Self-explanatory.
6. For example, two part-time employees who each work half-time equal one full-time equivalent employee. If the applicant is a local affiliate of a national organization, the responses to survey questions 2 and 3 should reflect the staff and budget size of the local affiliate.
7. Annual budget means the amount of money your organization spends each year on all of its activities.

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1890-0014. The time required to complete this information collection is estimated to average five (5) minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** The Agency Contact listed in this grant application package.

OMB No. 1890-0014 Exp. 02/28/09

B. An Executive Summary of the Project

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 Propose 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) (http://www.rurdev.usda.gov/UTP_GFRContact.html) 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:

Resource	Contact Person	Results
FCC Broadband Map	N/A	Consulted National Map 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.
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.

6. 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.)

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 Challenges (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, as well as 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 who service 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 that have specific support of issues provided and fully address how the project will improve these public safety issues.

Small Area Income and Poverty Estimates. Applications that according to the 2010 census show that at least 20 percent of the population of the counties included in core coverage areas is living in poverty will receive the maximum score in this category. See http://www.census.gov/did/www/saipe/data/statecounty/data/2010.html for more information on whether your service area qualifies. If you wish to claim points under this criteria, please provide documentation in this section.

2. Local Participation (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 also 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. Also, include any past experiences and successes of operating a broadband system which is similar to the proposed broadband system.

Special Consideration Areas (additional 15 points to the base score of 100 for applications that qualify):

Applications that propose to provide broadband service within a trust or tribal jurisdictional, Strike Force, or Promise Zone area will be awarded 15 additional points to the base score. Applicants must indicate their intent to claim these points and must provide evidence of one of the following if you wish to claim points under this criteria:

To document whether the PFSA is in a trust area or tribal jurisdictional area the applicant should provide

a. Official maps of Federal Indian Reservations based on information compiled by the U. S. Department of the Interior, Bureau of Indian Affairs and made available to the public;
b. Title Status Reports issued by the U. S. Department of the Interior, Bureau of Indian Affairs showing that title to such land is held in trust or is subject to restrictions imposed by the United States;

c. Trust Asset and Accounting Management System data, maintained by the Department of the Interior, Bureau of Indian Affairs;
d. Official maps of the Department of Hawaiian Homelands of the State of Hawaii identifying land that has been given the status of Hawaiian home lands under the provisions of section 204 of the Hawaiian Homes Commission Act, 1920;
e. Official records of the U.S. Department of the Interior, the State of Alaska, or such other documentation of ownership as the RUS may determine to be satisfactory, showing that title is owned by a Regional Corporation or a Village Corporation as such terms are defined in the Alaska Native Claims Settlement Act (43 U.S.C. 1451 et seq); and
f. Any other evidence submitted by the applicant that is satisfactory to RUS to establish that area where the end-user site is located is a trust area or a tribal jurisdictional area within the meaning of 38 U.S.C. 3765(1).

To document whether the PFSA is in a Promise Zone see http://www.hud.gov/promisezones/ and provide evidence supporting the PFSA falling within a Promise Zone.

To document whether the PFSA is in a Strike Force area see http://www.usda.gov/wps/portal/usda/usda?navid=STRIKE_FORCE and provide evidence supporting the PFSA falling within a Strike Force area.

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 (i.e. continuous poverty over a 24-month period) 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; and

g. Any other additional factors that may be outlined in the NOFA.

D. System Design

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

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 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 § 1794.15, 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 (http://www.geocommunicator.gov). 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.

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/). If wetlands are identified within the project area, please document where the project components will be located in relation to the identified wetland areas.

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 specie 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/tess_public/). Information about potential critical habitat areas can also be found on the U.S. Fish and Wildlife Service’s website (http://criticalhabitat.fws.gov/crithab/).

E. **Floodplains:** Describe and indicate whether or not any facility(ies) or site(s) are located within an 100-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 (http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1).

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 (http://coastalmanagement.noaa.gov/consistency/welcome.html).

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 (http://iaspub.epa.gov/Cleanups/).

H. Section 106 Review

Applications with Telecommunications Towers and Collocations

Applicants proposing telecommunications towers and collocations should note that the Federal Communications Commission (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. 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. For additional information and guidance, applicants are encouraged to contact Stephen Delsordo, the FCC Federal Preservation Officer at 202-418-1986 or via email at stephen.delsordo@fcc.gov.

A summary of the FCC Section 106 review requirements include the following: applicants may need to contact the appropriate State Historic Preservation Office, complete Form 620 for new towers or Form 621 for collocations, and notify Indian tribes, Alaska Native Villages and Native Hawaiian organizations using the Tower Construction Notification System (TCNS), which can be found at **http://wireless.fcc.gov/outreach/index.htm?job=tower_notification.** In completing Form 620 applicants are advised to include for review any fiber optic cable that will be constructed to connect a proposed new tower to mainline cables.

The FCC's Section 106 review process does not apply to any portion of a proposal that is located within the exterior boundary of federal property, such as U.S. Forest Service, National Forest System land, or an Indian reservation.

Applications Not Subject to FCC Section 106 Reviews

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. The required information to be gathered by the applicant as described below must be included in the EQ. Databases and maps to assist in identifying known archeological sites and NRHP listed or eligible resources can be obtain from the State Historic Preservation Office (SHPO) in your respective State. The National Conference of State Historic Preservation Officers website (http://www.ncshpo.org/find/index.htm) provides a directory of SHPOs.

For all components of a proposed application that are not subject to FCC's Section 106 review as described above, the following requirements apply:

1. Fiber optic cable – For buried fiber optic cable and aerial fiber optic cable requiring pole construction/replacement, applicants must identify and describe, including type and status for listing on the National Register of Historic Places (NRHP) known archeological sites located within 500 feet of either side of the cable route and prior archeological surveys that have been conducted in this study area. Include this information in the EQ along with mapping that shows the relationship between these known sites and the study area as well areas of planned disturbance, whether for trenching or entry for buried line, or pole placement for aerial.
2. Construction of a Community Center or Facility – If any existing building, structure or portion thereof is proposed for demolition, the applicant will determine the date of construction of this existing structure. If the building or structure is more than 45 years old, the applicant will determine if the resource is listed on or eligible for listing on the NRHP, or located within or adjacent to a historic district that is listed on or eligible for listing on the NRHP. The results of this study must be presented in the EQ.
3. Renovation/Rehabilitation of an Existing Building - If the building to be renovated is more than 45 years old, the applicant will determine if the structure is listed on or eligible for listing on the NRHP, or located within or adjacent to a historic district that is listed on or eligible for listing on the NRHP. The results of this study must be presented in the EQ.
4. New Tower Construction - Applicants must identify and describe, including type and status for listing on the NRHP known archeological sites located within 500 feet of the proposed tower site, any new access roads and new buried fiber optic cable needed to connect the tower with the mainline cable, and previous archeological surveys that have been conducted in this study area. Include this information in the EQ along with mapping that shows the relationship between these known sites and the study area as well areas of planned construction disturbance. In addition, the applicant must identify any building listed on or known to be eligible for listing on the NRHP, including historic districts, within a radius of the tower site specified as follows: within ½ mile radius if the tower will be 200 ft tall of less; ¾ mile if the tower will be 200 ft to 400 feet in height; and 1.5 miles if the tower will be over 400 feet tall. All of this information must be presented in the EQ and supported by maps showing the geographic relationship between project components and identified resources, and photographs, particularly from the outer limit of the radius looking toward the tower site.
5. Collocations – If the collocation will not substantially increase the height of an existing tower, no evaluations are needed. For collocations to be placed on non-tower structures,

the applicant must determine if the non-tower structure is more than 45 years old. If so, then the applicant will determine if the non-tower structure is listed on or known to be eligible for listing on the NRHP, or located within or adjacent to a historic district that is listed on or known to be eligible for listing on the NRHP.

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 (http://ceq.hss.doe.gov/index.html) or on the environmental section of the RUS website at http://www.rurdev.usda.gov/UWP-environmental.htm.

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

The U.S. Department of Agriculture prohibits discrimination in its programs on the basis of race, color, National origin, sex, religion, age disability, political beliefs, and marital or family status. (Not all bases apply to all programs.) Persons with disabilities who require alternative means for communications of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center on (202) 720-1127 (TDD). USDA is an equal opportunity employer.

E. Service Area Demographics

The PFSA must be electronically mapped using the RUS web-based Mapping Tool which can be accessed at http://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.**

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.

Service Area Demographics			
Mapping Tool Reference Number:			
Service Area Name	**Population**	**Households**	**Businesses**

F. Scope of Work

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.
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. Applicants are strongly encouraged to provide their budget in the same format. A brief description of each budget category is provided on the sample budget to assist in determining which items should fall under each category. **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

Schedule F-1

Construction Build-out
And
Project Milestones

Project Objectives and Activities	Year 1				Year 2				Year 3			
	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4

Schedule F-2

Project Budget

BUDGET	No. of Units	Unit cost	Total	Grant	Other Funding	Description
BROADBAND SYSTEM						Equipment costs include material and labor.
Electronic Equipment (FTTH, wireless, etc.)						
Outside plant (fiber, coaxial, copper, etc.)						
Customer premises equipment						CPE costs: ONTs, modems, radio and external antennas with labor.
Towers – new construction (monopole, lattice, etc.)						Tower costs could include standby generators, prefab huts or land purchase. Costs need to be listed separately.
Towers – lease						
Buildings – new construction						
Buildings – renovations/expansion						
Bandwidth Costs						
Collocation Costs						
Site preparation						
Engineering						
Total Broadband System						
COMMUNITY CENTER						**Note:** Grant funds provided for the community center are limited to the lesser of 10% of the grant amount requested or $150,000.
Construction of building						
Renovations/expansion of existing building						
Furniture						New building or modular structure must be built on property owned by the applicant if grants funds are used for its purchase.
Computers/software/printers (maximum number of computers funded by grant is 10)						
Total Community Center						
SUMMARY OF EXPENDITURES						
Broadband System						
Community Center						
TOTAL						

G. Community-Oriented Connectivity Plan

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.

Critical Community Facility	**Contact Person**	**Type of Commitment**
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.

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

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 should 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 to the RUS during the 2014 Fiscal Year:

Only ONE Application	TWO or MORE Applications
Use Schedule H-1	**Use Schedule H-2**

   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 should 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 Applications

- 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 beyond the exchange carrier’s network. These revenues are generated based on the interexchange carrier’s minutes of use applied against access tariff rates.

iv. **Universal Service Fund** revenues are funds received by the applicant from the various universal service fund programs.

v. **Toll Service/Long Distance Voice** revenues are derived from the provision of toll/long distance services and should relate the minutes of usage applied against average rates per minute.

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.

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.

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.**

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.

v. **Amortizable Assets - Net** consists of intangible assets less related accumulated amortization.

vi. **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.

vii. **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.

viii. **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.

ix. **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.

x. **Other Non-Current Assets** consists of all other non-current assets not included above.

<u>LIABILITIES AND EQUITY</u>

<u>Current Liabilities</u>

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.

<u>Non Current Liabilities</u>

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-curre*nt 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. **Inventory** is the net change in the Inventory category on the Balance Sheet.

iii. **Other Current Assets** is the net change in the *Other Current Assets* category on the Balance Sheet.

iv. **Other Non-Current Assets** is the net change in the *Other Non Current Assets* category on the Balance Sheet.

v. **Accounts Payable** is the net change in the *Accounts Payable* category on the Balance Sheet.

vi. **Other Current Liabilities** is the net change in the *Other Current Liabilities* category on the Balance Sheet.

vii. **Other Non Current Liabilities** is the net change in the *Other Non Current Liabilities* category on the Balance Sheet.

viii. **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.**

ix. **Net Cash From Operating 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**

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**

vii. **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** of the categories on the Income Statement. Guidance for documenting assumptions about most specific categories is provided on the following pages.

REVENUES	GUIDANCE
Local Voice Service	Document the number of local voice service subscribers and average revenue per subscriber (ARPU) information used in determining local service revenue.
Broadband Data Service	Document the number of broadband data subscribers and average revenue per subscriber (ARPU) information used in determining broadband data revenue.
Video Service	Document the number of video service subscribers and average revenue per subscriber (ARPU) information used in determining video services revenue.
Middle Mile Revenues	Describe the forecasted Middle Mile revenue in detail.
Network Access Service Revenues	Document the interexchange carrier's historical and projected minutes of use by category and the projected access tariff rates.
Universal Service Fund	Document the basis for receiving such funding.
Toll Service/Long Distance Voice	Document the historical and projected toll/long distance minutes of use by category and the proposed toll/long distance rates.
Installation Revenues	Document the related gross subscriber additions and proposed installation fees.
Amortized Grant Revenue	Indicate the period of time over which the grant revenue is being amortized. This is explained in the "Grant Accounting" definition in the Definitions section of this Application Guide. Rate regulated Telecom or Electric companies may leave this item blank.
Other Operating Revenues	Document any assumptions related to other operating revenues with justification to support the projected revenues.
Uncollectible Revenues	Document the rate used to estimate uncollectible revenues with justification to support the projection.

EXPENSES	GUIDANCE
Backhaul/Interconnection/ Video Content/ Spectrum Expenses	Document how these costs are calculated and projected. Include capacity as it relates to costs. See guidance below:

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.

EXPENSES (continued)	GUIDANCE
Network Maintenance/ Monitoring Expenses	Document how these expenses are calculated and projected.
Utilities Expense	Document how these expenses are calculated and projected.
Sales/Marketing Expenses	Document how these expenses are calculated and projected.
Customer Care Expenses	Document how these expenses are calculated and projected.
Corporate G&A Expenses	Document how these expenses are calculated and projected.
Other Operating Expense	Document in detail any assumptions related to other operating expenses.
Interest Expense – Existing Debt	Document the interest rate assumed for all existing outstanding debt, if any
Interest Expense –New Debt	Document the interest rate(s) assumed for all other existing and proposed debt incurred by the Applicant.

Balance Sheet Assumptions
Applicants must provide assumptions for **ALL** of the categories on the Balance Sheet. Guidance for a few specific categories is provided below.

BALANCE SHEET CATEGORY	GUIDANCE
Cash	Cash should tie to the *Ending Cash* category from the *Existing and Project Cash Flow* worksheet. Describe any restricted portions of cash balances.
Marketable Securities	Document the nature of the marketable securities and discuss liquidity of these.
Accounts Receivable	Document the calculations used to determine accounts receivable, including the number of days of outstanding revenue.
Inventory	Identify types of inventory, detail inventory balance and assumptions for how many days inventory will be maintained.
Accounts Payable	Document the calculations used to determine accounts payable, including the number of days of outstanding expenses.
Capital Stock and Additional Paid in Capital	These should consist of the contributed equity of the applicant plus any *Proceeds from Sale of Equity* from the *Existing and Project Cash Flow* worksheet.

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.

CASH FLOWS FROM FINANCING ACTIVITIES	GUIDANCE
Proceeds from Sale of Equity	Ensure that amounts listed here relate to any new equity raised or issued, if applicable.
Proceeds from Existing Debt and Proceeds from New Debt	Document any projected draws from existing or new sources of debt financing in the appropriate category.
Repayments of Existing Debt	Document the repayment terms assumed (interest rate and repayment periods) in the determination of repayments of existing outstanding debt.
Repayments of New Debt	Document the annual principal repayment requirements associated with repayments of new debt, if any.
Payments of Patronage Capital Credits	Document the planned annual payments of patronage capital credits.
Payments of Dividends	Document the planned annual payments of dividends.

CASH FLOWS FROM INVESTING ACTIVITIES	**GUIDANCE**
Capital Expenditures – Project Assets	Ensure that proposed Community Connect Grant project expenditures match the Scope of Work.
Capital Expenditures – Other Assets	Document the assumptions regarding capital expenditures for assets other than those being funded with the proposed Community Connect Grant.
Additions to Amortizable Assets	Document planned payments for purchased spectrum or other amortizable assets.
Ending Cash	Ending cash represents the applicant's cash balances at the end of the period and should agree with the *Cash* category of the Balance Sheet.

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 <u>Single</u> Application

Applicants should 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:

http://www.rurdev.usda.gov/utp_commconnect.html

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:

http://www.rurdev.usda.gov/utp_commconnect.html

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

I. A Statement of Experience

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.

J. Additional Funding

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

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

Federal Statute/Regulation	Evidence of Compliance	Attachment
7 CFR Part 15, Subpart A	**Equal Opportunity and Nondiscrimination Certification**	L-1
7 CFR Part 3015	**Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Certification**	L-2
2 CFR 417 - Nonprocurement Debarment and Suspension	**Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions**	L-3
7 CFR Part 3018 New Restrictions on Lobbying	**Certification Regarding Lobbying for Contracts, Grants, Loans and Cooperative Agreements**	L-4**
2 CFR 421 Requirements for Drug-Free Workplace (Financial Assistance)	**Certification Regarding Drug-Free Workplace Requirements Alternative I- For Grantees other than Individuals**	L-5
	Certification regarding Architectural Barriers	L-6
	Certification regarding Flood Hazard Area Precautions	L-7
	Non Duplication of Services Certificate	L-8
	Applicant Certification Federal Collection Policies for Commercial Debt	L-9
	Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants	L-10

***If the applicant is engaged in lobbying activities, the applicant must submit a completed disclosure Standard Form LLL - "Disclosure of Lobbying Activities" available at: http://www.whitehouse.gov/sites/default/files/omb/grants/sflllin.pdf*

Schedule K-1

Equal Opportunity and Nondiscrimination Certification

All grants made under the Community-Oriented Connectivity Broadband Grant Program are subject to the nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, as amended, (7 CFR Part 15); Section 504 of the Rehabilitation Act of 1973, as amended, (29 U.S.C. 901 *et seq*; 7 CFR Part 15b); and Age Discrimination of 1975, as amended (42 U.S.C. 6101 *et seq*.; 45 CFR Part 90); and as amended by Executive Order 11375 Amending Executive Order 11246, Relating to Equal Employment Opportunity (3 CFR, 1966, 1970 Comp., p. 684).

All recipients of financial assistance from the Rural Utilities Service, the prospective primary participant commits to carry out the Rural Utilities Service established policy to comply with the requirements of the above laws and executive orders to the effect that no person in the United States shall, "on the basis of race, color, national origin, handicap, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Community-Oriented Connectivity Broadband Grant Program.

The ____ (Grantee) hereby certifies that, as a prospective recipient under the said Community-Oriented Connectivity Broadband Grant Program, it will comply with the above reference laws and executive orders.

________________________ (Date

____ *(Authorized Representative's Signature)*

____ *(Name Typed or Printed)*

____ *(Title)*

Schedule K-2

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

The ____ (Grantee) 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 _____________________________________ (Grantee) 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.

_____________________ ____

Date *(Authorized Representative's Signature)*

Schedule K-3

Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' Responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the proposed transaction.

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) are not presently debarred, suspended, proposed for Debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) have not within a 3-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) have not within a 3-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

____

Organization Name

____

Authorized Representative's Signature *Date*

____

Name Typed or Printed

Schedule K-4

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.

____

Organization Name

____

Authorized Representative’s Signature *Date*

____

Name Typed or Printed

Schedule K-5

Certification Regarding Drug-Free Workplace Requirements Alternative I – For Grantees Other than Individuals

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (P.L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 *et seq.*), 7 CFR Part 3017, Subpart F, Section 3017.600, Purpose. The January 31, 1989, regulations were amended and published as Part II of the May 25, 1990, Federal Register (pages 21681-21691). Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the grant.

ALTERNATIVE I

A. The grantee certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employees about:

(1) The dangers of drug abuse in the workplace;
(2) The grantee's policy of maintaining a drug-free workplace;
(3) Any available drug counseling, rehabilitation, and employee assistance programs; and
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:

(1) Abide by the terms of the statement; and
(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than 5 calendar days after such conviction;

(e) Notifying the Agency in writing, within 10 calendar days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance:

____

Street Address *City*

____

County *State* *Zip Code*

_____ **Check if there are workplaces on file that are not identified here.**

____

Organization Name

____

Authorized Representative's Signature *Date*

____

Name Typed or Printed

Schedule K-6

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 ____ (Grantee) hereby certifies, that, as a prospective recipient under the Community-Oriented Connectivity Broadband Grant Program, it is in compliance, or will be in compliance upon completion of the project, with the above referenced law.

____
(Date)

____
(Authorized Representative's Signature)

____
(Name Typed or Printed)

____
(*Title)*

Schedule K-7

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 1794.41, of this chapter in considering the application for the project.

Please check the appropriate line below:

___ a) The project is not located in a 100 year flood plain; therefore, no Flood Insurance is required.

___ b) The project is located in a 100 year flood plain and the required insurance is or will be provided by:

____

____

____

The ____(Grantee) hereby certifies, that, as a prospective recipient under the Community-Oriented Connectivity Broadband 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.

____
(Date)

____
(Authorized Representative's Signature)

____
(Name Typed or Printed)

____
(Title)

Schedule K-8

Non Duplication of Services Certificate

As a prospective primary participant recipient of assistance from Rural Utilities Service, this organization certifies that facilities financed under the Community-Oriented Connectivity Broadband Grant Program will provide broadband service only in areas where it does not currently exist.

The ____ (Grantee) hereby certifies that as a prospective recipient under the said Community-Oriented Connectivity Broadband Grant Program, that it will not use Rural Utilities Service grant funds to duplicate any established broadband services or facilities as referenced above.

_________________________ *(Date)*

________________________________ *(Signature)*

_________________________________ *(Name Typed or Printed)*

_________________________________ *(Title)*

Schedule K-9

Federal Obligations Certification on Delinquent Debt

IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? ______ YES ______ NO

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.

Certification

I have read and understand the actions the Federal Government can take in the event that I fail to meet my scheduled payments in accordance with the terms and conditions of my agreements.

Signed: ______________________________

Printed Name: ______________________________

Title: ______________________________

Company: ______________________________

Date: ______________________________

This form is available electronically.

Schedule K-10

Form Approved – OMB No. 0505-0025
Expiration Date: 2/29/2016

AD-3030

U.S. DEPARTMENT OF AGRICULTURE

REPRESENTATIONS REGARDING FELONY CONVICTION AND TAX DELINQUENT STATUS FOR CORPORATE APPLICANTS

Note: **You only need to complete this form if you are a corporation**. A corporation includes, but is not limited to, any entity that has filed articles of incorporation in one of the 50 States, the District of Columbia, or the various territories of the United States including American Samoa, Federated States of Micronesia, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, Republic of Palau, Republic of the Marshall Islands, or the U.S. Virgin Islands. Corporations include both for profit and non-profit entities.

The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552(a), as amended). The authority for requesting the following information for USDA Agencies and staff offices is in §744 and 745 of the Consolidated and Further Continuing Appropriations Act, 2015, P.L. 113-235, as amended and/or subsequently enacted. The information will be used to confirm applicant status concerning entity conviction of a felony criminal violation, and/or unpaid Federal tax liability status.

According to the Paperwork Reduction Act of 1985 an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0505-0025. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

1. APPLICANT'S NAME	2. APPLICANT'S ADDRESS *(Including Zip Code)*	3. TAX ID NO. *(Last 4 digits)*

4A. Has the Applicant been convicted of a felony criminal violation under Federal law in the 24 months preceding the date of application? ☐ YES ☐ NO

4B. Does the Applicant have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability? ☐ YES ☐ NO

Providing the requested information is voluntary. However, failure to furnish the requested information will make the applicant ineligible to enter into a contract, memorandum of understanding, grant, loan, loan guarantee, or cooperative agreement with USDA.

PART B – SIGNATURE

5A. APPLICANT'S SIGNATURE (BY)	5B. TITLE/RELATIONSHIP OF THE INDIVIDUAL IF SIGNING IN A REPRESENTATIVE CAPACITY	5C. DATE SIGNED *(MM-DD-YYYY)*

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Application Check List

The grant application should be **assembled** and **tabbed** in the order listed below. **Use the table below to check that you have provided all required information for a complete application.** If an application is determined to be incomplete, the applicant will be notified in writing and the application will be returned with no further action.

Section	Description	Schedule	Complete
A	Application for Federal Assistance		
	- Completed Standard Form 424	A-1	☐
	- SAM Registration	A-2	☐
	- State Director's notification	A-3	☐
	- Survey Ensuring Equal Opportunity for Applicants (optional)	A-4	☐
B	Executive Summary of the Project		☐
C	Scoring Criteria Documentation		☐
D	System Design		☐
	- Network Diagram	D-1	☐
	- Environmental Questionnaire	D-2	☐
E	Service Area Demographics		☐
F	Scope of Work		☐
	- Construction Build-out/Project Milestones	F-1	☐
	- Project Budget	F-2	☐
G	Community-Oriented Connectivity Plan		☐
H	Financial Information and Sustainability		
	- Historical Financial Statements		☐
	- Pro Forma Financial Statement – Single Application	H-1	☐
	- Pro Forma Financial Statement – Multiple Applications	H-2	☐
	- Pro Forma Financial Statement Assumptions	H-3	☐
I	Statement of Experience		☐
J	Evidence of Funding Commitments from Other Sources		☐
K	Compliance with Other Federal Statutes and Regulations		
	1. Equal Opportunity and Nondiscrimination Certification	K-1	☐
	2. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Certification.	K-2	☐
	3. Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions.	K-3	☐
	4. Certification Regarding Lobbying for Contracts, Grants, Loans and Cooperative Agreements.	K-4	☐
	5. Certification Regarding Drug-Free Workplace Requirements Alternative I- For Grantees Other than Individuals.	K-5	☐
	6. Certificate Regarding Architectural Barriers	K-6	☐
	7. Certificate Regarding Flood Hazard Area Precautions	K-7	☐
	8. Non Duplication of Services Certificate.	K-8	☐
	9. Applicant Certification Federal Collection policies for Commercial Debt	K-9	☐
	10. Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants	K-10	☐