



Broadband, Equity, Access, and Deployment Program (BEAD) Compliance and Monitoring Guidelines

Arizona Commerce Authority

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1 Compliance and Monitoring Overview

This document is part of a series of guides designed to help subgrantees navigate the administrative requirements of the BEAD program. This guide focuses specifically on the ACA’s project oversight process, including risk assessments, desk reviews, and site visits. For details on the specific programmatic reports that will be monitored (such as the Quarterly and Semiannual Progress Reports), subgrantees must refer to the BEAD Reporting Guidelines. For instructions on how to submit the documentation required to trigger a milestone payment, please consult the BEAD Milestone Disbursement Guidelines.

1.1 Purpose

As a subgrantee of federal BEAD funds, the organization must adhere to a strict set of compliance requirements outlined in 2 C.F.R. § 200 and the executed Subgrant Agreement. This document provides a guide to the ACA’s compliance and monitoring process, explaining how project oversight will be conducted and what subgrantees can expect throughout the project lifecycle. The primary goal is to ensure that BEAD funds are used for authorized purposes and that all performance objectives are met.

To ensure this process is effective, full and timely cooperation from subgrantees is mandatory. This includes providing access to records, personnel, and construction sites as requested by the ACA or its representatives.

1.2 ACA’s Monitoring Process

The ACA utilizes a risk-based approach to monitoring. This means the intensity and frequency of monitoring activities are tailored to the specific risk profile of each subgrantee and project. The process is designed to be supportive, with a focus on providing technical assistance and ensuring project success.

The monitoring process consists of three core components:

Component	What It Is	What Subgrantees Can Expect
1. Initial Risk Assessment	A formal evaluation conducted at the outset of project development. The ACA reviews the subgrantee’s financial health, internal controls, and project complexity to establish an initial risk level.	Subgrantees will receive a standardized questionnaire to complete and certify. The resulting risk profile will be used to determine the appropriate monitoring strategy and frequency of activities.

Component	What It Is	What Subgrantees Can Expect
<p>2. Monitoring Activities</p>	<p>The ongoing process of verifying compliance and project progress. This is accomplished through a combination of remote and on-site activities. Every project will have at least one Desk Review or one Site Visit.</p>	<p>The ACA will conduct one or more of the following:</p> <p>Desk Reviews: A remote audit of project documents.</p> <p>Site Visits: An on-site inspection to verify construction.</p> <p>Programmatic Report Reviews: A continuous review of submitted Monthly Permit Status, Quarterly and Semiannual Reports¹.</p>
<p>3. Observations, Process Improvements, and Corrective Actions</p>	<p>The formal process for addressing any compliance issues or opportunities for improvement that are identified during monitoring activities.</p>	<p>If an observation or process improvement is issued, the subgrantee will receive a monitoring report detailing the outcome and accompanying corrective action. The subgrantee will then be required to develop and implement a plan to address the outcome and apply corrective action in a timely manner.</p>

¹ The specific requirements for each programmatic report are detailed exclusively in the BEAD Reporting Guidelines. That document outlines the purpose, submission deadline, key information to provide, submission method, and responsibility and certification for each required report.

2 Initial Risk Assessment

This is the foundational step in the ACA's risk-based monitoring approach. The outcome of this assessment determines the initial intensity and frequency of monitoring activities for each subgrantee. It is a tool to ensure supportive and effective oversight, not an audit finding.

2.1 Purpose of the Risk Assessment

The purpose of the Initial Risk Assessment is for the ACA to develop a baseline understanding of the inherent risks associated with each subgrantee and their project. In accordance with its federal obligations as a pass-through entity (2 C.F.R. § 200.332), this process allows the ACA to tailor a monitoring plan that is appropriate for each project's specific risk profile. This ensures resources are focused where they are most needed and helps proactively support project success.

2.2 Assessment Process and Timeline

The Initial Risk Assessment is a mandatory step in the pre-award selection and onboarding process. The ACA will conduct this assessment at the outset of project development.

The process is as follows:

1. **Questionnaire Issued:** The ACA will provide each potential subgrantee with a standardized Initial Risk Assessment Questionnaire through the [BEAD Subgrantee Portal](#).
2. **Subgrantee Response:** The subgrantee is expected to complete the questionnaire and submit it with all requested supporting documentation back to the ACA via the [BEAD Subgrantee Portal](#) in a timely manner. The specific deadline for returning the questionnaire will be clearly stated in the formal notification sent by the ACA.
3. **ACA Review and Categorization:** Based on the information provided, the ACA will categorize each subgrantee as low, medium, or high risk to determine the initial monitoring strategy.

The ACA also reserves the right to conduct updated risk assessments periodically throughout the project lifecycle.

2.3 Key Information to be Assessed

The ACA will provide a standardized risk assessment questionnaire that subgrantees must complete. The assessment evaluates criteria across several domains, including:

- **Financial Solvency:** A review of the subgrantee's overall financial health, often using audited financial statements.

- **Project Financials:** An assessment of the specific project's financial plan and management.
- **Grant Management Capabilities:** An evaluation of the subgrantee's experience with federal grants, internal controls, and procurement processes.
- **Project Complexity:** An analysis of the project's technical aspects, scale, and operational challenges.
- **Permitting and Environmental Factors:** A review of the anticipated permitting and environmental compliance requirements.

2.4 Responsibility and Certification

The subgrantee organization is responsible for providing accurate and complete responses to the questionnaire. The submission must be certified by an officer or director of the organization who has the legal authority to bind the subgrantee and who attests, under penalty of perjury, to having personal knowledge of the information provided.

3 Monitoring Activities

Ongoing monitoring is the process by which the ACA reviews a subgrantee's activities to ensure that all project goals are being met in a compliant manner. The primary objectives of these activities are to verify that:

- BEAD grant funds are used only for authorized purposes.
- The subgrantee adheres to all federal, state, and local laws, regulations, and the terms of the Subgrant Agreement.
- Project performance objectives are being successfully achieved.

The ACA's approach is designed to be supportive and includes providing technical assistance and guidance to help subgrantees navigate federal and state compliance requirements.

Monitoring is a continuous process throughout the project's Period of Performance, as defined in the executed Subgrant Agreement. Its frequency and intensity are guided by the project's risk profile, as determined in the Initial Risk Assessment. The process is composed of the three core activities detailed in the following subsections: Desk Reviews, Site Visits, and Programmatic Report Reviews. Every project will undergo a minimum of one Desk Review and/or one Site Visit.

The ACA may implement additional compliance and monitoring procedures as needed, subject to change based on any updated guidance from NTIA.

3.1 Desk Reviews

A Desk Review is a remote audit of a subgrantee's project documentation to promote compliance with the Subgrant Agreement and all applicable federal and state requirements. The process is conducted electronically and does not require an on-site visit.

To ensure this process is efficient, subgrantees must maintain all project documentation in an organized and consistent manner. This includes using clear file mapping and a consistent file naming convention that clearly indicates the content of each file. This level of organization is essential for substantiating all program activities and expenditures.

The Desk Review process follows a structured sequence of events:

- **Notification and Document Request:** When a project is selected for a Desk Review, the ACA will send a formal notification through the [BEAD Subgrantee Portal](#) platform. This notification will include a detailed list of the documents the subgrantee must provide. Subgrantees will have ten (10) business days from receipt of this notification to upload all requested documentation to the [BEAD Subgrantee Portal](#).

- **Monitoring Kick-Off Call:** After the documents are submitted, the ACA may schedule a kick-off call to discuss the review process and ask clarifying questions about the submitted documentation.
- **Review Process:** Following the kick-off call, the ACA will conduct a detailed assessment of the submitted materials. This review evaluates compliance with all program requirements, including but not limited to:
 - Adherence to federal regulations, such as 2 C.F.R. § 200.
 - Verification of project expenditures, budgets, and receipts.
 - Confirmation that appropriate project documentation and permits are being maintained.
 - Assessment of whether procurement requirements were followed.
 - Awareness of federal audit requirements.
 - The ACA may conduct follow-up inquiries to gather additional information during this phase.
 - Augmenting payment review processes, which are further defined in the ACA's BEAD Milestone Disbursement Guidelines, and confirming subgrantees' Build America, Buy America compliance through supporting documentation.
- **Desk Review Monitoring Report:** Upon completion of the review, the ACA will issue a final monitoring report to the subgrantee through the [BEAD Subgrantee Portal](#). Consistent with the ACA's monitoring framework, the report will detail any Observations or Process Improvements.
- An Observation identifies a compliance issue or gap that requires a mandatory Corrective Action from the subgrantee.
- A Process Improvement identifies an opportunity for the subgrantee to strengthen their procedures and will be accompanied by a Suggested Action.

3.2 Site Visits

A Site Visit is an on-site inspection conducted by the ACA to physically verify construction progress, confirm the accuracy of reported milestones, and ensure project work complies with all requirements and industry standards.

The Site Visit process follows a structured sequence of events:

- **Notification and Information Request:** When a project is selected for a Site Visit, the ACA will send a formal notification through the [BEAD Subgrantee Portal](#). This notification will include a request for preliminary information needed to plan the visit. Subgrantees will have ten (10) business days from receipt of this notification to submit the requested information via the [BEAD Subgrantee Portal](#).

- **Logistics and Kick-Off Call:** After the information is submitted, the ACA will schedule a logistics call to coordinate the details of the visit, including timing, locations, required personnel, and expectations for the on-site activities.
- **Information Required for Planning:** The information requested in the initial notification is used to plan the logistics of the visit and will include, but is not limited to:
 - Logistical Information:
 - Specific construction location(s).
 - Name, phone number, and email for the primary logistics contact.
 - Address of the nearest subgrantee office location.
 - Project Status Information:
 - A summary of financial status (e.g., budget vs. disbursements to-date).
 - A summary of construction metrics (e.g., miles installed, addresses passed).
 - Primary work type (e.g., aerial/underground, middle-mile/last-mile).
 - An updated grant territory map showing the status of project infrastructure.
- **The On-Site Visit:** During the visit, the ACA and its representatives will conduct activities to verify project status. This may include:
 - Inspecting active and completed construction sites.
 - Observing project operations and work quality.
 - Interviewing key project personnel.
 - Physically confirming the accuracy of previously reported data.
 - The subgrantee is responsible for guaranteeing safe and appropriate access to all necessary sites and personnel.
- **Site Visit Monitoring Report:** Following the visit, the ACA will issue a monitoring report to the subgrantee through the [BEAD Subgrantee Portal](#). This report will detail any observations, process improvements, recommendations, or required corrective actions. In some cases, a draft report may be reviewed with the subgrantee before the final version is issued.

3.3 Programmatic Report Reviews

In addition to active monitoring events such as Desk Reviews and Site Visits, the ACA conducts a continuous, remote review of all programmatic reports submitted by the subgrantee. This ongoing review

of the Monthly Permit Status Report, Quarterly and Semiannual Progress Reports serves as a primary tool for monitoring project health from a distance.

The ACA reviews these submissions to check for accuracy, completeness, and consistency, and to identify any early indicators of potential project risks or delays. If any discrepancies or issues are found, the ACA will contact the subgrantee through the [BEAD Subgrantee Portal](#) with follow-up questions or may formally return the report for correction.

Note: The specific requirements for each programmatic report, including their purpose, submission deadlines, required content, and certification standards, are detailed exclusively in the BEAD Reporting Guidelines.

4 Single Audit and Other Federal Requirements

In addition to project-specific monitoring conducted by the ACA, certain subgrantees are subject to a separate, federally mandated audit requirement based on their total annual federal expenditures.

4.1 Single Audits

4.1.1 What is a Single Audit?

A Single Audit is a comprehensive, organization-wide audit of a non-federal entity's financial statements and compliance with federal award requirements. It is designed to provide federal oversight for entities that receive significant federal funding across one or more programs.

4.1.2 Who Must Complete a Single Audit?

The requirement to conduct a Single Audit depends on two factors: the subgrantee's organizational type and the amount of federal funds they expend in their own fiscal year.

- **Applicability:** This requirement applies to non-profit organizations and state, local, or tribal governments.
- **Threshold:** If such an entity expends \$1,000,000 or more in total federal awards during its fiscal year, it must arrange for a Single Audit for that year. This total includes funds from all federal sources, not just the BEAD program.

4.1.3 Important Exemption for For-Profit Subgrantees

In accordance with federal regulations (2 C.F.R. § 200.501(i)), the Single Audit requirement does not apply to for-profit businesses. While for-profit subgrantees are exempt from this specific audit, they remain subject to all other monitoring activities described in this guide, including Desk Reviews, Site Visits, and both pre-award and post-award audits (2 C.F.R. § 200.302).

4.1.4 ACA Verification

As part of the Desk Review process, the ACA will verify whether a non-profit or governmental subgrantee met the expenditure threshold in a given fiscal year. If an audit was required, the ACA will request a copy of the final audit report to ensure it was completed and to review any findings.

4.2 Cybersecurity and Supply Chain Risk Management

Subgrantees are required to develop and implement robust cybersecurity and supply chain risk management plans. These plans must comply with the National Institute of Standards and Technology (NIST) guidelines, ensuring the integrity, confidentiality, and availability of critical infrastructure and

information systems. Subgrantees are expected to address potential vulnerabilities, including threats to network security and supply chain disruptions, and incorporate mitigation strategies to ensure resilience and compliance. The ACA will evaluate these plans for completeness and accuracy during the pre-contracting process, prior to the execution of any Subgrant Agreement, to help ensure that Subgrantees are equipped to manage risks effectively and safeguard broadband infrastructure projects against cyber threats and supply chain challenges.

5 Observations, Process Improvements, and Corrective Actions

This is the final step in the monitoring process, initiated only if an observation or process improvement is identified during a monitoring activity.

5.1 The Purpose of Corrective Action

The purpose of the corrective action process is to formally document a potential compliance deficiency or area for improvement, and ensure the subgrantee takes the necessary steps to address it. This process is designed to be restorative and bring the project back into full compliance.

5.2 Timing of Corrective Action

This process is initiated whenever a Desk Review, Site Visit, or Programmatic Report Review results in an observation or process improvement outcome. The timeline for the corrective action will be specified in the formal notification provided by the ACA.

5.3 Information to Provide

If an observation or process improvement is issued, the ACA will provide a monitoring report detailing the nature of the outcome. The subgrantee may be required to develop and submit a written plan to correct the outcome. This plan must include:

- The specific steps that will be taken to remedy the issue.
- A timeline for completing those steps.
- The personnel responsible for overseeing the correction.

5.4 Corrective Action Process

The ACA will issue a monitoring report with the observation(s) and/or process improvement(s) through the [BEAD Subgrantee Portal](#). If required, the subgrantee must then submit their proposed written corrective plan to the ACA for review and approval.

Once the plan is approved, the ACA may conduct follow-up activities to verify that the corrective actions have been successfully implemented and that the project is progressing in compliance with all requirements. The timing and nature of these follow-up activities will vary depending on the number and complexity of the observations and process improvements identified.

5.5 Responsibility and Certification

The subgrantee organization is fully responsible for developing, implementing, and certifying the completion of the corrective action plan. The formal submission of the plan and the final certification of its completion may require the signature of an officer or director of the organization.

6 Fulfilling Monitoring Requirements

The [BEAD Grantor Portal](#) is the online portal that subgrantees will use to manage all communications and document submissions related to ACA's compliance and monitoring activities. This platform is the central hub for receiving notifications, submitting requested documentation, and communicating with the ACA BEAD program team.

For detailed instructions on the initial, one-time process of setting up an account on the [BEAD Subgrantee Portal](#), subgrantees must refer to the BEAD Milestone Disbursement Guidelines, which covers all onboarding procedures. This section focuses on how to use the platform for ongoing report submission *after* an account has been established.

6.1 Key Functions for Monitoring

- **Official Notifications:** All formal communications regarding monitoring—such as a notification for an upcoming Desk Review or Site Visit—will be sent through [BEAD Subgrantee Portal](#).
- **Secure Document Submission:** Subgrantees will use the platform to upload all documentation requested for Desk Reviews and to provide preliminary information for Site Visits.
- **Receiving Reports:** Final monitoring reports, including any observations, process improvements, or required corrective actions, will be issued to the subgrantee through the platform.

6.2 How to Respond to a Monitoring Request in [BEAD Subgrantee Portal](#)

The process of submitting documentation for a Desk Review or Site Visit is as follows:

- **Receive Notification:**
 - The ACA will initiate monitoring activity by sending a formal notification to the subgrantee via the [BEAD Subgrantee Portal](#). This notification will include a detailed list of required documents and the submission deadline.
- **Prepare and Upload Documents:**
 - Gather all requested documentation. All documents should be well-organized with clear, descriptive file names.
 - Log in to the [BEAD Subgrantee Portal](#) and navigate to the appropriate section to upload the files.
- **Review and Submit:**

- After uploading all required documents, carefully review the submission to ensure it is complete.
- Finalize the submission through the platform.

Important Note: Once a submission is made, it is considered final and cannot be directly edited by the subgrantee. If revisions are needed, the subgrantee may submit a request to the ACA. Upon approval, or if the ACA initiates the revision, the submission will be formally returned within the [BEAD Subgrantee Portal](#), which will then unlock it for editing and resubmission.

6.3 Subgrantee Responsibility

It is the subgrantee's responsibility to actively monitor the [BEAD Subgrantee Portal](#) for any notifications related to compliance and monitoring activities. Subgrantees must respond to all requests for information and submit all required documentation completely and on time. Proactive communication with the ACA through the platform is encouraged if any questions or issues arise.

7 Appendix A: Statutory Requirements and Guiding Documents

In accordance with Title 2, Code of Federal Regulations, Part 200 (2 C.F.R. § 200), the terms and conditions of a federal award flow down from the primary recipient (the Arizona Commerce Authority [ACA]) to all subgrantees. Consequently, subgrantees under the Broadband Equity Access and Deployment (BEAD) program are responsible for complying with a multi-layered framework of legal and programmatic requirements. This includes mandates from the federal awarding agency, National Telecommunications and Information Administration (NTIA), as well as all obligations detailed within the executed Subgrant Agreement with the ACA.

The following sections provide a reference to the hierarchy of guiding documents that establish these requirements.

7.1 Relevant Guidance for the ACA's BEAD Program

Throughout the lifecycle of the BEAD program, all reporting efforts are administered based on applicable federal and state regulations, BEAD program requirements, and the binding terms of executed subgrant agreements between ACA and its subgrantees. The following resources represent the relevant requirements and guidance that apply to all projects within the ACA's BEAD program.

- Arizona Broadband Equity, Access and Deployment (BEAD) Subgrant Agreement – subgrant agreement executed between the ACA and a BEAD subrecipient.
- [BEAD Five-year Action Plan](#) - Arizona Commerce Authority BEAD Five-Year Action Plan. Arizona's vision is to provide dependable and affordable high-speed internet services to every community and access to the necessary digital skills, so every resident can fully participate in a digital world.
- [BEAD Proposal Volume I & II](#) - Arizona Commerce Authority Initial Proposal for the Broadband Equity, Access and Deployment (BEAD) Volumes I & II. Volume I outlines existing broadband funding within Arizona, the list of the locations designated as unserved and underserved in the FCC National Broadband Map, Arizona's Community Anchor Institutions (CAIs) as defined by the National Telecommunications and Information Administration (NTIA) and the proposed plan for the BEAD challenge process. Volume II outlines the long-term objectives for deploying broadband, closing the digital divide, addressing access, affordability, and adoption issues, and enhancing economic growth and job creation including information developed in the Five-Year Action Plan.
- [Arizona Commerce Authority ConnectAllAZ](#) – ACA's ConnectAllAZ website provides more information and additional resources available for BEAD and other broadband programs.
- [Arizona Commerce Authority – ACA Uniform Terms and Conditions.](#)

7.2 Relevant Guidance for BEAD and Federal Programs

The following resources represent relevant federal requirements for ACA BEAD subrecipients:

- **Code of Federal Regulations** – Title 2 Code of Federal Regulations (C.F.R.) Part 200. 2 C.F.R. Part 200 is the set of regulations for federal grants that provide uniform administrative requirements, cost principles, and audit requirements for federal awards. Some specific provisions are especially relevant to the BEAD program are described below.
- **Eligible Uses of BEAD Program Funds** – Grant recipients may only use federal award funds, and any non–federal cost share committed to an award to pay for allowable costs under the BEAD program, as detailed in the *Fixed Amount Subaward Primer* referenced in Appendix B of this document. BEAD funding generally is disbursed to ACA subrecipients utilizing a fixed cost subaward structure. See also 2 C.F.R. §§ 200.201, 200.333. A fixed amount subaward is a type of subgrant agreement where payments are based on meeting specific milestone requirements of the federal award.
- **BEAD Capital expenditures (CapEx) and operating expenditures (OpEx)** – The BEAD program does not restrict eligible uses of funds to capital expenses. However, the cost principals applied must be in accordance with 2 C.F.R. Part 200, Subpart E for States and non–profit organizations and in 48 C.F.R. Part 31 for commercial organizations.
- **Costs specifically identified as prohibited under the BEAD Program** – An Eligible Entity (e.g., ACA) or subrecipient/subgrantee (including contractors and subcontractors of subrecipients) may not use grant funds received under the BEAD program to purchase or support any covered communications equipment or service (as defined in Section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. § 1608)).
- **Provision of Information to Federal Communications Commission and United States Department of Agriculture** – NTIA will provide the information collected under Section I.E.2 of BEAD NOFO, and such other Program information as is necessary, to the Commission, the Department of Agriculture, the Department of the Treasury, and any other federal agency that funds broadband deployment, to be used, as applicable, in determining whether to award funds for the deployment of broadband under any program administered by those agencies.
- **Recipient Integrity and Performance Matters** – In accordance with Section 872 of Public Law 110–417, as amended, see 41 U.S.C. § 2313, if the total value of a recipient’s currently active grants, cooperative agreements, and procurement contracts from all federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of an award made under BEAD NOFO, then the recipient shall be subject to the requirements specified in Appendix XII to 2 C.F.R. Part 200.03.
- **Federal Funding Accountability and Transparency Act of 2006** – In accordance with [2 C.F.R. Part 170](#), all recipients of a federal award made on or after October 1, 2010, are required to comply with reporting requirements under the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. No. 109–282).

- **Department of Commerce Financial Assistance Standard Terms and Conditions** – The Department of Commerce will apply to each award in this Program, the Financial Assistance Standard Terms and Conditions in effect on the date of award. The current version, dated September 22, 2025, is accessible at Department of Commerce Financial Assistance Standard Terms and Conditions. Refer to Section VIII of BEAD NOFO (Federal Awarding Agency Contact(s)) and the General Terms and Conditions for BEAD for more information.
- **General Terms and Conditions for the NTIA Broadband, Equity, Access, and Deployment (BEAD)** – Grantees shall comply, and must require each Subgrantee or contractor, including lower tier Subgrantees or subcontractors, to comply with all applicable Federal, State, and local laws and regulations, and all applicable terms and conditions of this award. Grantees and its Subgrantees are responsible for ensuring that all contracts, including those necessary for design and construction of facilities, are implemented in compliance with these specific terms and conditions of the award. Grantees must also comply with all requirements contained in 47 U.S.C. § 1702, the BEAD NOFO, the Department of Commerce General Terms and Conditions (dated September 22, 2025), the General Terms and Conditions for the BEAD Program, and the Specific Award Conditions applicable to each individual award. In any case where language among two or more authorities appears inconsistent, the relevant authorities should be read and interpreted in a manner which emphasizes consistency and harmonization across all relevant authorities. Where harmonization is impossible, NTIA has instructed Grantees to prioritize following the language contained in these authorities in the following order (from highest to lowest priority): 47 U.S.C. § 1702; the award’s Specific Award Conditions; the General Terms and Conditions for the BEAD Program; the BEAD Restructuring Policy Notice (June 2025); the BEAD NOFO; the Department of Commerce General Terms and Conditions (dated September 22, 2025).
- **Pre Award Notification Requirements** – The Department of Commerce will apply the Pre–Award Notification Requirements for Grants and Cooperative Agreements dated December 30, 2014 (79 FR 78390), accessible at <http://go.usa.gov/hKkR> . Refer to Section VIII of BEAD NOFO (Federal Awarding Agency Contact(s)) for more information.
- **Environmental and National Historical Preservation Requirements** – Awarding agencies are required to analyze the potential environmental impacts, as required by the National Environmental Policy Act (NEPA) (42 U.S.C. § 4321 et seq.) and the National Historic Preservation Act (NHPA) (54 U.S.C. § 300101 et seq.) for Eligible Entity (e.g., ACA) proposals and awardee projects and other eligible activities seeking funding under the BEAD program.
- **Property Trust Relationship and Public Notice Filings for Grant–Acquired Property** – In accordance with [2 C.F.R. § 200.316](#), any real property, equipment, or intangible property acquired or improved with a federal award must be held in trust by the Eligible Entity (e.g., ACA) or subrecipient as trustee for the beneficiaries of the project, other eligible activity, or program under which the property was acquired or improved.
- **Domestic Preference for Procurements** – All funds made available through the BEAD program for broadband infrastructure must comply with the Build America, Buy America Act. Additionally, the Infrastructure Investment and Jobs Act expressly prohibits subrecipients from using BEAD funding to purchase or support fiber optic cable and optical transmission equipment manufactured in the People’s Republic of China unless a waiver of this requirement is received from NTIA.

- **Record Retention Requirements for Federal Awards** – Grant recipients must keep all award-related records for a minimum of three years post-final financial report to maintain compliance. NTIA may access these records, with retention extended if litigation, claims, or audits are initiated. Records must be stored in accessible formats, facilitating review. NTIA oversees compliance through site visits and desk reviews.

8

Appendix B: Definitions and Acronyms

Term	Definition	Acronym (if applicable)
National Telecommunications and Information Administration (NTIA)	<ul style="list-style-type: none"> The National Telecommunications and Information Administration (NTIA) is a federal agency administering the BEAD program. 	NTIA
Broadband Equity, Access and Deployment (BEAD) Program	<ul style="list-style-type: none"> The Broadband Equity, Access and Deployment Program administered by the National Telecommunications and Information Administration (NTIA) for deployment of broadband infrastructure projects in the state. 	BEAD
Arizona Commerce Authority	<ul style="list-style-type: none"> Coordinator and administrator of all broadband infrastructure funding programs in Arizona Key administration stakeholder and Subject Matter Expert (SME) on digital inclusion 	ACA
Eligible Entity	<ul style="list-style-type: none"> The term “Eligible Entity” means any State of the United States, the District of Columbia, Puerto Rico, American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. In this case, Eligible Entity refers to ACA. 	N/A
Subrecipients / Subrecipient/Subgrantees / Subgrantee	<ul style="list-style-type: none"> The term “subrecipient” or “subrecipient” means an entity that receives grant funds from an Eligible Entity to carry out eligible activities. The BEAD program generally uses the terms “subgrantee” and “subgrant” because these are the terms used in the relevant Infrastructure Act provisions. Many of the applicable regulations governing federal financial assistance generally use the term “subrecipient” to refer to what the Infrastructure Act calls “subgrantees” and the term “subaward” to refer to what the IIJA calls “subgrants.” See generally 2 CFR Part 200. As 	N/A

Term	Definition	Acronym (if applicable)
	<p>used herein, the terms “subrecipient” and “subaward” are meant to have the same meaning, respectively, as the terms “subgrantee” and “subgrant” for purposes of those regulations and other governing terms or authorities.</p>	
Underserved Location	<ul style="list-style-type: none"> • The term “underserved location” means a broadband-serviceable location that is (a) not an unserved location, and (b) that the Broadband DATA Maps show as lacking access to Reliable Broadband Service offered with—(i) a speed of not less than 100 Mbps for downloads; and (ii) a speed of not less than 20 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds • An underserved service project is defined as a project in which not less than 80% of broadband-serviceable locations served by the project are unserved locations or underserved locations. An “Underserved Service Project” may be as small as a single underserved broadband serviceable location (NOFO Section I.C.cc). 	N/A
Community Anchor Institution	<ul style="list-style-type: none"> • The term “community anchor institution” means an entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, or community support organization that facilitates greater use of broadband service by vulnerable populations, including, but not limited to, low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals. • A Community Anchor Institution that lacks access to Gigabit-level broadband service is an eligible service location under the BEAD Program 	CAI
Unserved Location	<ul style="list-style-type: none"> • The term “unserved location” means a broadband-serviceable location that the Broadband DATA Maps show as (a) having no access to broadband service, or (b) lacking 	N/A

Term	Definition	Acronym (if applicable)
	<p>access to Reliable Broadband Service offered with—(i) a speed of not less than 25 Mbps for downloads; and (ii) a speed of not less than 3 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds.</p>	
Broadband; Broadband Service	<ul style="list-style-type: none"> The term “broadband” or “broadband service” has the meaning given the term “broadband internet access service” in Section 8.1(b) of title 47, Code of Federal Regulations, or any successor regulation, that it is a mass-market retail service by wire or radio that provides the capability to transmit data to and receive data from all or substantially all internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up internet access service. This term also encompasses any service that the Commission finds to be providing a functional equivalent of the service described in the previous sentence or that is used to evade the protections set forth in this part. 	N/A
BEAD Monitoring Plan	<ul style="list-style-type: none"> A strategic framework to oversee and evaluate broadband projects, ensuring they meet goals of expanding internet access. It includes performance metrics, data collection, compliance monitoring, stakeholder engagement, risk management, and continuous improvement. This is an internal document to the ACA. 	N/A
BEAD Subgrant Agreement	<ul style="list-style-type: none"> A formal contract between ACA and the subrecipient, outlining the terms and conditions for the use of BEAD funds. It specifies the responsibilities, reporting requirements, and compliance standards that the recipient must adhere to in order to achieve the program’s goals of expanding broadband access. 	N/A
BEAD Subrecipient Site Visit Checklist	<ul style="list-style-type: none"> A comprehensive tool used by ACA to ensure subrecipients comply with the terms and conditions of their BEAD grant. This checklist will be used while visiting a subrecipient’s project 	N/A

Term	Definition	Acronym (if applicable)
	<p>site and may include items such as verifying financial records, assessing physical project progress, ensuring adherence to regulatory requirements, and evaluating the effectiveness of stakeholder engagement and risk management practices.</p>	
Desk Reviews	<ul style="list-style-type: none"> A type of monitoring activity where a subrecipient is evaluated on compliance and performance without conducting an on-site visit. This process involves examining documentation and reports submitted by the subrecipient to ensure they meet the program's requirements and objectives. 	N/A
Risk Assessment	<ul style="list-style-type: none"> A process used to identify, evaluate, and prioritize potential risks that could impact a project or organization. This assessment will inform monitoring procedures for subrecipients. 	N/A

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Appendix C: BEAD Supporting Documents

Term	Definition
BEAD General Terms & Conditions	<ul style="list-style-type: none"> • BEAD grant funding General Terms & Conditions provided by the NTIA.
BEAD NOFO	<ul style="list-style-type: none"> • The Notice of Funding Opportunity for the Broadband, Equity, Access, and Deployment Program. It outlines the requirements required to submit the Final Proposal.
NTIA BEAD FAQs	<ul style="list-style-type: none"> • Frequently asked questions by an Eligible Entity regarding numerous topics such as the Challenge Process, Subrecipient Selection Process, Final Proposal questions and more.
BEAD Final Proposal Guidance	<ul style="list-style-type: none"> • This document provides guidance and requirements for BEAD Financial proposal
BEAD Subgrantee Selection Primer	<ul style="list-style-type: none"> • This document provides a high-level overview of how an Eligible Entity can conduct a Subrecipient Selection Process.
Build America, Buy America Compliance and Documentation Requirements and Procedures	<ul style="list-style-type: none"> • This document serves as a guide to the compliance and documentation requirements and procedures that NTIA’s Office of Internet Connectivity and Growth (OICG) will use to monitor compliance with BABA by recipients of NTIA grants subject to BABA requirements, which includes BEAD.
BEAD Build America, Buy America, Notice of Final Nonavailability Waiver	<ul style="list-style-type: none"> • In accordance with the Build America, Buy America Act (BABA), this notice advises that the Department of Commerce (DOC) issued a limited, general applicability, nonavailability waiver of the Buy America Domestic Content Procurement Preference (Buy America Preference) to recipients of Federal financial assistance under NTIA’s BEAD program, which will flow down to subrecipients. The waiver is provided in the attached link.
BEAD BABA FAQ	<ul style="list-style-type: none"> • Department of Commerce BEAD BABA specific FAQ 2/2024

Term	Definition
BEAD Restructuring Policy Notice	<ul style="list-style-type: none"> This Policy Notice modifies and replaces certain requirements outlined in the BEAD NOFO. Each Subrecipient must comply with this Policy Notice to gain approval of its Final Proposal from the Assistant Secretary of Commerce for Communications and Information.
BEAD Subrecipient Qualifications	<ul style="list-style-type: none"> The BEAD NOFO (Section IV.D) requires an Eligible Entity to ensure that all prospective subrecipients can carry out activities funded by the subgrant in a competent manner and in compliance with all applicable laws. This Subrecipient Qualifications Evaluation Guide provides an overview of the BEAD NOFO requirements and how to evaluate the qualifications of prospective BEAD subrecipients.
Subrecipient vs. Subcontractor Guidance	<ul style="list-style-type: none"> This checklist provides a Broadband, Equity, Access, and Deployment (BEAD) Eligible Entity with considerations to determine if a partnering entity should be considered a subrecipient or a subcontractor. Note, for BEAD deployment projects, Eligible Entities must use competitively awarded subgrants.
Fixed Amount Subaward Primer	<ul style="list-style-type: none"> This primer provides a Broadband Equity, Access, and Deployment (BEAD) program Eligible Entity with guidance on fixed amount subawards, which are only allowed for subgrants in which the major purpose of the project is broadband infrastructure deployment.
Notification of Provisional Selections	<ul style="list-style-type: none"> This document provides an Eligible Entity guidance on the requirements they must satisfy before public notification of provisional BEAD subrecipient selections.
Guidance on NTIA National Environmental Policy Act Compliance	<ul style="list-style-type: none"> Guidance on NEPA process requirements, roles and responsibilities, and Appendices applicable to NTIA programs effective April 2024. Note: BEAD subgrantees should view the BEAD general terms and conditions and NEPA for BEAD resources for additional context on roles and responsibilities in the BEAD program.
Selecting Technology Policy Notice One Pager	<ul style="list-style-type: none"> This resource provides comprehensive guidance on obtaining applications during subrecipient selection for deploying

Term	Definition
	broadband service to all unserved and underserved locations, prioritizing the most robust, affordable, and scalable technologies.