



COMMUNICATIONS DIVISION

Frequently Asked Questions

Federal Funding Account - Fixed Amount Subawards

July 2026

1. What is a fixed amount subaward?

Fixed amount subawards reimburse awardees based on meeting specific requirements of the award such as performance and results. In contrast to cost-based invoicing, fixed amount subaward payment processing tracks pre-construction, construction, and service milestones, similar to how awardees complete and report their projects. This payment process provides for smaller increments for reimbursement and built-in documentation. See [2 Code of Federal Regulations \(CFR\) 200.1](#); [2 CFR 200.201\(b\)](#).

2. Which awards were selected to transition to fixed amount subawards?

Communications Division has identified and notified awardees whose projects are eligible to transition to fixed amount subawards. See [Fixed Amount Subawards Guidance Section I. A. Identification of Projects](#) for more information.

3. What are the benefits of fixed amount subawards?

Fixed amount subawards generally reduce administrative burdens for the awardee and administering entity by focusing documentation on achieving performance-based results under approved budgets. Awardees will demonstrate they meet milestones by submitting test measurements, geotagged photos, and as-built design plans, which they are already required to submit in their monthly construction and quarterly progress reports.

Awardees will not need to provide detailed cost documentation for each milestone; awardees must continue to maintain documentation for audit and reporting compliance and provide documentation upon request.

4. Can I volunteer to transition to a fixed amount subaward?

No. See [Fixed Amount Subawards Guidance Section I. A. Identification of Projects](#) for more information.

5. Am I required to transition to a fixed amount subaward, if selected?

Awardees selected to transition to fixed amount subawards were given an opportunity to opt out. If they did not opt out by the deadline, the awards will remain fixed amount subawards.



6. Can I switch back to cost-based reimbursement if I transition to a fixed amount subaward?

No. Awardees that transition to a fixed amount subaward cannot elect to revert to cost reimbursements. The fixed amount subaward designation is binding for the period of performance of the award. Communications Division, as the administering entity, may transition a project to or from a fixed amount subaward reimbursement.

7. What are the fixed amount subaward performance milestones?

See [Fixed Amount Subawards Guidance](#), Table 1 for the details on the reimbursement milestones.

8. Can you provide an example of a reimbursement?

The following is a hypothetical example for a project awarded \$15,000,000 that has completed permitting and started construction:

Award amount:		\$15,000,000
Milestones achieved	Percentage payable	Amount payable
California Environmental Quality Act determinations made	7.50%	\$1,125,000.00
Submitted permit applications	12.50%	\$1,875,000.00
Construction has begun	15.00%	\$2,250,000.00
First Route Ready milestone	6.25%	\$937,500.00
Second Route Ready milestone	6.25%	\$937,500.00
First Construction milestone	6.25%	\$937,500.00
Total reimbursable:	53.75%	\$8,062,500.00

In this example, an awardee would be eligible to claim up to 53.75% of their grant award.

Milestones may only be reimbursed when completed. While milestones may be requested in any order, construction milestones may only be requested after pre-construction milestones have been achieved.

9. What if I have already had payments reimbursed?

Payments will be a cumulative percentage of the Federal Funding Account grant using milestones met to date, minus any amount paid under the cost-based reimbursements.

For example: An awardee has a \$10,000,000 grant but has received a cost-based reimbursement of \$2,100,000. The awardee has achieved the 53.75% milestone above under fixed amount subawards.



The awardee can request to be reimbursed \$3,275,000 (\$5,375,000 total eligibility, minus the \$2,100,000 already paid).

10. Will I need to separately submit documents for milestone achievement and reimbursement?

No. These activities are combined into a single process. Successful demonstration of performance milestone achievement will trigger reimbursement. Additional documentation can be submitted with a fixed amount subaward reimbursement request in order to verify milestones more quickly. See submitting additional documentation below.

11. Can I submit additional documentation after I submit my monthly Construction Progress Report to demonstrate progress?

Yes. Awardees may submit additional documentation to demonstrate that they have achieved the requested milestones. Please refer to the [Fixed Amount Subaward Guidance](#).

12. When will CPUC reimburse me for meeting a milestone?

Once a milestone is reached, the awardee should submit a payment request through the Broadband Grant Portal. The Communications Division will review the payment request, all required reporting and documentation, including Construction Progress Reports, and verify that the milestone(s) being claimed have been achieved. The Communications Division will reimburse awardees after all information has been verified.

13. Do I need to keep my invoices?

Yes, all awardees are subject to record retention and audit requirements, as well as 2 C.F.R. § 200.201(b), among others.

14. What if I have more questions about fixed amount subawards?

Please review the Fixed Amount Subaward Guidance on the [Federal Funding Account Awardee Resources](#) webpage or contact the Communications Division at federalaccount@cpuc.ca.gov.