



Guidance for Awardees on Submitting Reimbursement Requests June 2025

Introduction

The last mile Federal Funding Account (FFA) is funded by Federal Capital Projects Fund (CPF) and State General Fund monies. Reimbursement requests must meet both CPF and California Public Utilities Commission (CPUC) criteria of allowable / eligible expenses in order to be reimbursed. Awardees are required to follow both State and Federal guidelines to be reimbursed. This guidance document provides general information for awardees including an overview of CPF and CPUC rules. Awardees are strongly encouraged to consult with their Assigned Analyst before submitting reimbursement requests to ensure proper and efficient reimbursement.

Resources

The guidance below can be referred to in the order listed. Key provisions of these sources are summarized in this document. This guidance is for informational purposes only and does not supersede or replace such primary sources, which are subject to revision. Consider consulting with an accountant, counsel, or others with expertise with federal uniform administrative requirements.

1. [Guidance for the Coronavirus Capital Projects Fund](#) (Treasury September 2021)
2. [Part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (2 Code of Federal Regulations 200)
3. [Coronavirus Capital Projects Fund Frequently Asked Questions](#) (Treasury April 28, 2022)
4. [Coronavirus Capital Projects Fund Compliance and Reporting Guidance](#) (Treasury March 2024)
5. [\[State Local Fiscal Recovery Funds\] SLFRF and \[Capital Projects Fund\] CPF Supplementary Broadband Guidance](#) (Treasury May 2023)

Best Practices

1. Review allowable and ineligible project cost categories to ensure the payment request aligns with these cost categories.
2. Documentation should summarize costs by the categories on the proposed expense template (awardees that have revised their proposed expense template should summarize costs and categories in the most recent version).
3. Documentation should provide sufficient description (e.g., an invoice) to review the cost category and estimated cost line-item without referring to the underlying document(s).
4. A cover letter summarizing the payment request should be provided if possible.
 - a. Awardees are encouraged to submit a cover letter providing a general overview and description of expenditures and reimbursement requests. Example cover letter included at the end of this document.

Overview of Basic Considerations of Cost Principles

The CPUC reviews grant expenses to confirm whether awardees expended funds for the purpose of the grant and only on expenses that are allowable, necessary, reasonable, allocable, and adequately documented. See 2 CFR Part 200.

- **Allowable** – Generally, allowable/eligible costs are direct costs associated with the deployment of broadband infrastructure that can support broadband service scalable to at least 100 Mbps download and 100 Mbps upload (symmetrical service). See 2 CFR 200, Subpart E – specifically 2 C.F.R. §200.403.
- **Necessary** – A cost must be necessary and reasonable for the performance of the award and be allocable thereto. See 2 C.F.R. §200.403.
- **Reasonable** – A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. See 2 C.F.R. §200.404.
- **Allocable** – A cost is allocable if the cost reported is directly attributable to the specific project for which the grant was provided and can be directly allocated and traced to the grant. These costs must be legitimate and necessary expenses incurred in the process of completing the broadband deployment project. See 2. C.F.R. §200.405.
- **Adequate Documentation** – It is the awardee’s responsibility to maintain adequate records and documentation of grant expenditures that can track the source and expenditures of use of grant funds by project, and substantiate the actual eligible costs incurred for the project. If the reimbursement request documentation is insufficient, staff will request additional supporting documentation.
 - **Examples:** This may include (but is not limited to) purchase orders, work orders, invoices, receipts, contracts, timesheets, proof of payment and any other relevant records.

Allowable Costs

Allowable Costs are costs consistent with the principles set out in federal rules (2 CFR Part 200, Subpart E), and those permitted by the CPUC. Costs requested in the application budget for an awarded project does not determine the budget cost is allowable. CPF guidance specifies that eligible costs include (but are not limited to) the following listed below. Further CPUC requirements are noted under the Capital Projects Fund cost categories.

The following costs incurred after the start date: CPUC award letters note that costs after the start date are reimbursable; only project and Grant Plan costs after the start date can be reimbursed.

1. Costs associated with completing the grant or application incurred after the award start date.
2. Pre-project development costs and uses, including data-gathering, feasibility studies, community engagement and public feedback processes, equity assessments and planning,

and needs assessments; permitting, planning, architectural design, engineering design, and work related to environmental, historical, and cultural reviews;

3. Costs of repair, rehabilitation, construction, improvement, and acquisition of real property, equipment (e.g., devices and office equipment), and facilities (e.g., telecommunications equipment, including infrastructure for backhaul, middle, and last mile networks);
4. Cost of long-term leases (terms greater than one year) of facilities required to provide qualifying broadband service, including infeasible right-of-use (IRU) agreements and capital leases;
5. Ancillary costs necessary to operationalize and put the capital assets to full use, including costs to increase broadband adoption and improve digital literacy;
6. Costs associated with project monitoring and reporting in compliance with program requirements, including award closeout costs;
7. Costs associated with collecting and measuring performance data and conducting activities needed to establish and maintain a performance management and evaluation regime related to the program.

Administrative Costs

Administrative costs are capped at 2 percent of the grant amount and a maximum of 15 percent contingency on direct infrastructure costs.¹ The CPUC defines administrative costs as “indirect overhead costs attributable to a project, per generally accepted accounting principles (GAAP), and the direct cost of complying with Commission administrative and regulatory requirements related to the grant itself.”²

Salaries and Benefits

Salaries and benefits may qualify as program administrative costs or project costs, depending on the work being performed. Personnel costs required for administering awards, including salaries and benefits to staff and consultants, are an allowable use of funds under the program administrative cost category (e.g., program directors, subject matter experts, equity consultants, grant administrators, financial analysts, accountants, and attorneys). Personnel costs required for carrying out a project are also allowable use of funds under the project cost category (e.g., project managers, construction labor, architects, environmental engineers, network engineers). However, grant funds may not be used for operating expenses, which includes the salaries of staff operating the capital project once it is completed.

Ineligible Project Costs

FFA grant funds *may not* be used for the following purposes:

1. Acquisition of spectrum licenses;
2. Operating expenses, other than grant administration costs;

¹ Decision 22-04-055 Appendix A: Federal Funding Account Program Rules and Guidelines page A-12.

² Decision 22-04-055 Appendix A: Federal Funding Account Program Rules and Guidelines page A-12, footnote 14.

3. Short-term operating leases;
4. [*Generally not applicable*] Payment of interest or principal on outstanding debt instruments, or other debt service costs incurred prior to March 15, 2021;
5. Fees or issuance costs associated with the issuance of new debt;
6. Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding; or
7. To support or oppose collective bargaining.

Processing Reimbursements

Awardees are encouraged to submit requested documents/information as soon as possible. Awardees must submit sufficient documentation and/or information for CPUC staff to fully process the reimbursement request. Incomplete reimbursement requests will delay the processing of payments.

Additional Resources and References

Decision 22-04-55, [Appendix A](#), Section 8: Reimbursable Expenses, Page A-12