Monitoring Plan

Broadband Equity, Access, and Deployment program

Prepared for US National Telecommunications and Information Administration

Table of Contents

Massachusetts BEAD Monitoring Process

This monitoring plan outlines the framework and guidance around how the Commonwealth of Massachusetts plans to monitor subgrantee projects for the Broadband Equity, Access, and Deployment (BEAD) Program to ensure compliance with all applicable program requirements.

The BEAD program is managed by the National Telecommunications and Information Administration (NTIA) and is designed to fund broadband expansion in unserved and underserved areas. The Executive Office of Economic Development (EOED) is the Eligible Entity on behalf of the Commonwealth of Massachusetts. The Massachusetts Broadband Institute (MBI), a division of the quasi-public agency MassTech Collaborative, will partner with EOED to manage the BEAD Program, with $147M in federal funding allocated to the Commonwealth. MBI is responsible for conducting the challenge process, overseeing the subgrantee selection process, and monitoring compliance for the program with support from EOED as required. EOED will monitor MBI's activities as indicated herein.

Purpose and Scope of Monitoring Plan

MBI plans to implement a structured monitoring framework designed to ensure that BEAD funding is utilized effectively, efficiently, and in accordance with applicable guidance and regulations to achieve the program's performance objectives and ensure every resident has access to a reliable, affordable, and high-speed broadband connection. This plan describes how MBI will ensure compliance by its subgrantees to carry out funded activities to stay accountable to the BEAD program requirements from the NTIA and federal government.

Governing Requirements: Procurement Law and Policies

Compliance with the BEAD program is mandated by several documents and regulations, including:
1. **The Infrastructure Investment and Jobs Act (Infrastructure Act).**
2. **The BEAD Notice of Funding Opportunity (NOFO).**
3. **National Telecommunications and Information Administration (NTIA) guidance.** This includes the BEAD Restructuring Policy Notice, Final Proposal Guidance, and Challenge Process Policy Notice, the terms and conditions of the BEAD award, award amendments, and all applicable federal, state, and local laws and regulations. In the case of inconsistency, statutory/regulatory mandates, NTIA Final Proposal Guidance, and NOFO requirements prevail.
4. **Key federal regulations, including:**

a. **2 C.F.R. Part 200 (Uniform Guidance) and the Department of Commerce Financial Assistance Standard Terms and Conditions.** MBI's subgrant agreements will include specific conditions to ensure compliance. Among these conditions is the requirement for subgrantees to comply with obligations set forth in 2 C.F.R. Part 200.

b. **Build America, Buy America Act (BABA) Act.** MBI intends to actively monitor subgrantees post-award to ensure continued compliance with environmental and historic preservation (EHP) and BABA requirements. EHP requirement monitoring is detailed in Section 14 of the Final Proposal.

c. **Davis-Bacon Act.** For projects exceeding $5M in federal funding, subgrantees must certify compliance with prevailing wage standards. If subgrantees do not certify compliance, they are required to provide a project employment and local impact report as detailed in the BEAD NOFO.

d. **Secure and Trusted Communications Networks Act of 2019 (47 USC 1608) and 2 CFR 200.216 (Prohibition on certain telecommunications and video surveillance equipment or services).** The Subgrantee Agreement outlines a requirement for subgrantees to submit cybersecurity and supply chain risk management plans to MBI prior to the execution of a funding agreement. If the Applicant makes any substantive changes to either plan, a new version must be submitted to MBI within 30 days.

The next section includes information on MBI's monitoring activities to ensure the subgrantees' compliance with the laws and regulations above.

Approach to Monitoring Subgrantees

Risk Assessment

Prior to issuing official contracts to subgrantees, MBI plans to conduct risk assessments of the subgrantees. To determine the level of risk, MBI will evaluate information received in subgrantees' applications, existing risk status, if applicable, and request additional documentation as necessary. The risk assessment will assess subgrantees' ability to comply with factors such as:

- Federal and state policies, statutes, and regulations (e.g. those listed in the Governing Requirements section of this Monitoring Plan)
- Project deliverable requirements
- Financial capacity and responsibility
- Prior grant performance
- Organizational experience
- Internal controls

MBI plans to evaluate the financial capacity of subgrantees by reviewing audited financials, operating budgets, and internal controls. MBI reserves the right to audit grantees as per their subrecipient monitoring plan and 2 CFR 200 requirements. Subgrantees may be required to demonstrate financial capacity through a commitment letter for a letter of credit or an equivalent financial instrument.[1] MBI recognizes that NTIA permits the use of alternative forms of financial assurance under the BEAD Letter of Credit Waiver Guidance. Where applicable, MBI will assess whether subgrantees meet the waiver criteria and ensure that any approved alternative mechanism (e.g., performance bond) follows NTIA guidance.

Subgrantees shall be identified in low, medium, or high-risk categories based on the findings from the risk assessment. The monitoring level may be subject to change if the anticipated risk level for the subgrantee changes over the course of the award period, through performance reporting, milestone reimbursements, financial reporting, or other evaluations by MBI staff.

Active Award Monitoring

MBI is committed to maintaining regular communication with subgrantees through ongoing communication and monitoring activities. These activities may vary based on initial risk level, critical project phases, or if risk indicators emerge. However, several baseline monitoring activities shall apply to all subgrantees. The BEAD NOFO and Massachusetts BEAD Initial Proposal (Volume II) outlined monitoring activities MBI plans to engage in with its subgrantees[2]:

1. **Periodic subgrantee reporting.** MBI shall require subgrantees to submit periodic reporting on progress related to deployment and will verify this information through required documentation. Subgrantees will be required to submit reports on project status and performance on a quarterly basis. Additionally, subgrantees are required to engage in a financial review with MBI on an annual basis. MBI will leverage NTIA's forthcoming guidance to set regular reporting requirements for subgrantees.
2. **Field verification of milestones.** MBI may engage contractors to conduct field verification of milestone completion by subgrantees.
3. **Desk reviews.** MBI plans to include desk reviews and site visits in its monitoring as needed, which may include construction reports, milestone reimbursement requests, and financial and performance reporting.

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[1] NTIA. (2023) BEAD Letter of Credit Waiver. https://broadbandusa.ntia.gov/funding-programs/policies-waivers/BEAD-Letter-of-Credit-Waiver
[2] Massachusetts Broadband Institute. (2024) *BEAD Initial Proposal – Volume II: Submission to the National Telecommunications and Information Administration.* Massachusetts Technology Collaborative. https://broadband.masstech.org/sites/default/files/2024-07/BEAD%20Initial%20Proposal%20Volume%20II.pdf

a. **Financial and administrative monitoring**. MBI plans to conduct financial and administrative monitoring of subgrantees throughout the term of the grant.

    i. MBI will ensure that subgrantee costs meet the definition of eligible uses of funds per the Subgrantee Agreement[3], including:

        1. Make ready
        2. Design and engineering
        3. Permitting and regulatory compliance, including environmental, historical, and cultural reviews, building, and electrical
        4. Network equipment, fiber/cabling, facilities and materials
        5. Construction and installation
        6. Customer Installation Costs, Including Long Drop, Non-Standard Customer Installation costs – This includes the cost of "standard" and "non-standard" customer installations. Eligible costs for a "non-standard" installation includes the upfront, non-recurring cost of the installation that would otherwise be charged to the customer. The customer installation is defined as the broadband infrastructure service (aerial or conduit) running from a backbone or lateral fiber optic cable to an unserved or underserved BSL in a project.
        7. Incidental Overbuild costs (cannot exceed 15% of the total project cost)
        8. Qualifying Multiple Dwelling Unit costs
        9. Leases for terms longer than one year of facilities including IRU agreements and capital leases
        10. Personnel costs required for carrying out the project. Project employee time must be tracked by specific project.
        11. Costs associated with monitoring and reporting requirements

    ii. As stated in the Subgrantee Agreement, MBI will monitor matching funds to comply with NTIA requirements.[4]

        1. Unless waived in whole or in part in writing by MassTech Collaborative following approval by NTIA, Subgrantee must contribute a mandatory Funding Match of at least twenty-five percent (25%) of the total proposed project costs. "Funding Match" shall mean the portion of the Project costs not covered by BEAD Award Funds.

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[3]Massachusetts Broadband Institute. (2025) *BEAD Grant Agreement.* Massachusetts Technology Collective.
https://broadband.masstech.org/sites/default/files/2025-07/BEAD%20Grant%20Agreement%20Template.pdf
[4] Ibid.

2. Up to sixty percent (60%) of the Funding Match may be provided in the form of in-kind contributions, consistent with the Uniform Guidance (2 CFR Part 200). In-kind contributions, which may include third-party in-kind contributions, are non-cash donations of property, goods, or services, which benefit a federally assisted project, and which may count toward satisfying the nonfederal matching requirement of a project's total budgeted costs. The Program allows for in-kind matches from non-federal sources, such as private entities, and state, local, and tribal governments, which can be used to cover the costs of construction of broadband infrastructure.

b. **Performance reporting.** Subgrantees must comply with standards for speed and latency through performance reporting to MBI. The BEAD program's minimum requirement for broadband service is not less than 100 Mbps download and 20 Mbps upload speeds, with typical latency measurements of no more than 100 milliseconds. MBI plans to require reports of speed and latency data and may use technical review processes for performance verification.

Closeout Monitoring

MBI plans to require final performance, financial, and compliance reports to confirm all deliverables were met. During the Benefit of the Bargain Round, MBI reviewed applicants' proposed timelines and ensured that selected proposals complied with NTIA's requirement to complete subgrant activities 120 days before the end of the period of performance and the closeout timelines described in 2 C.F.R 200.344. MBI will conduct final desk reviews or audits to confirm all deliverables were completed according to the proposed project timelines.

Noncompliance and Corrective Actions

MBI plans to engage with its subgrantees on an ongoing basis in order to mitigate noncompliance and the necessity of corrective actions. However, if necessary, MBI may recommend corrective actions. These actions shall be documented in the subgrantee's file for recordkeeping:

1. **Technical Assistance (TA).** MBI plans to provide technical assistance to its subgrantees as needed, for example if the subgrantee has performance issues or needs specific support or expertise.

2. **Other Corrective Actions.** If there is significant non-compliance, scheduling issues, or programmatic concern for a subgrantee, MBI may follow up on deficiencies, through audits, on-site reviews, or other means. If audit findings are not sufficiently addressed, MBI may impose specific subaward conditions or develop remediation and improvement plans based on audits.

More severe enforcement actions may be required if a subgrantee does not respond to TA or further remediation. These may include claw back of funds, payment suspension, award suspension, grant termination, or debarment of organizations and/or personnel.

EOED's Monitoring Scope

Overview

As the Eligible Entity, EOED engages in ongoing monitoring of MBI to ensure subrecipient productivity, efficiency, quality, and management capacity. MBI is subject to all applicable administrative, financial, and cross-cutting Federal rules and requirements.

EOED's monitoring ensures:

1. MBI is monitored for the entire term of the BEAD program;

2. Monitoring efforts focus on the areas of most significant risk;

3. All monitoring findings are addressed through appropriate corrective actions; and

4. Ongoing training and technical assistance is provided as needed by EOED to enable MBI and ISPs to comply with necessary requirements and maintain their funding.

MBI is subject to EOED monitoring and reporting requirements. (See Commonwealth of Massachusetts Office of the Comptroller Sub-Recipient Monitoring Policy.) MBI must ensure any of its subrecipients, contractors or other selected entities adhere to requirements and are in accordance with the grant agreement executed with NTIA and MBI's BEAD Monitoring Plan.

An annual single audit of the BEAD program will be conducted to ensure compliance with applicable federal regulations, such as 2 CFR Part 200, Subpart F.[5] This will be conducted by MassTech Collaborative's independent auditing firm, consistent with its

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[5] Office of Management and Budget. (2020) *Uniform administrative requirements, cost principles, and audit requirements for federal awards, 2. C.F.R Part 200, Subpart F – Audit requirements.* Electronic Code of Federal Regulations. https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-F

established practices and existing financial oversight framework. EOED receives MBI's annual Single Audit and monitors MBI for implementation of any areas of material weakness or significant deficiency for both federal and state awards. As such, MBI plans to maintain a file for each awarded subgrant. This file would include the information necessary to comply with BEAD Program requirements, federal requirements, and Massachusetts laws and regulations.

Quarterly Reviews

EOED will require quarterly reporting from MBI that mirrors the reporting requirements for MBI's subgrantees. EOED will review and consolidate these reports for submission to NTIA.

EOED will conduct quarterly desk reviews of MBI's monitoring by sampling MBI's monitoring files.[6] EOED will meet with MBI to discuss findings and identify recommended areas for improvement prior to issuing a written report to MBI. Subsequent quarterly reviews will include checks on compliance with the resolution of prior findings and implementation of prior recommendations. In situations where findings rise to the level of requiring recoupment, EOED will work with MBI as discussed earlier to identify the appropriate next steps and track progress towards resolution.

Reporting Requirements

As the Eligible Entity, EOED is required to comply with the reporting requirements of the Uniform Guidance and those promulgated by NTIA. EOED will be responsible for developing a standard reporting form from the reporting templates provided by NTIA.[7] This form will be used by MBI to submit to EOED all required data for the reporting requirements detailed below.

Not later than 1 year after receiving grant funds, and semiannually thereafter until the funds have been expended, EOED shall submit to NTIA a semiannual report, with respect to the 6-month period immediately preceding the report date, that tracks the progress EOED is making against its approved plans. Any such semiannual report or final report submitted after EOED expends all grant funds received will comply with forthcoming reporting guidance from NTIA.

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[6] Massachusetts Broadband Institute. (2024) *BEAD Initial Proposal – Volume II: Submission to the National Telecommunications and Information Administration.* Massachusetts Technology Collaborative. https://broadband.masstech.org/sites/default/files/2024-07/BEAD%20Initial%20Proposal%20Volume%20II.pdf

[7] Executive Office of Economic Development. (2024) *IIJA Administrative Plan*.

Requests for Reimbursement

EOED will monitor requests for reimbursement[8]:

1. EOED will issue payments to MassTech Collaborative in accordance with 2 CFR § 200.305 and the Department of Commerce Financial Assistance Standard Terms and Conditions, B.02, dated November 12, 2020.
2. The method of disbursement for this Contract is reimbursement of documented expenditures. Expenditures may be recorded on a cash accrual basis, but must be documented consistently throughout the Term of this Agreement. For each reimbursement request, MassTech Collaborative shall submit to the EOED Contract Manager an invoice summary detailing the requested reimbursement amount, the balance of funds remaining, and all required documentation sufficiently documenting expenditures according to state and federal documentation standards.
3. EOED will review all reimbursement requests for accuracy and make requests to MassTech Collaborative for additional documentation or clarification as needed to ensure that all costs claimed for reimbursement are eligible. In accordance with Section 3 of the Commonwealth Terms and Conditions, no later than 45 calendar days after the receipt of properly completed reports, EOED shall cause payment to be made to MassTech Collaborative.
4. MassTech Collaborative will provide reimbursement requests to EOED for actual expenditures at a minimum of once per quarter or a maximum of once per month, whichever is desired, in accordance with the federal awarding agency reimbursement schedule. Reimbursement requests from MassTech Collaborative are due to EOED by the 25th of the final month of the quarter (September, December, March, June).
5. Any part of the total award which has not been expended by the close of the current fiscal year will be available through June 30, 2032.
6. MassTech Collaborative shall keep detailed records of all activities associated with the Program including, but not limited to, all disbursements made pursuant to this Contract. EOED shall have the right to examine all records kept by MassTech Collaborative related to the Program.

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[8] Executive Office of Economic Development. (2024) *Broadband Equity, Access, and Deployment (BEAD) Program Deployment Funds Scope of Services and Approved Budget.*

Subrecipient Monitoring

EOED is committed to robust and effective subrecipient monitoring to prevent fraud, waste, and abuse. EOED's monitoring policies implement CTR's recommendations to ensure subrecipient productivity, efficiency, quality, and management capacity. As EOED's subrecipient, MassTech Collaborative is subject to the same administrative, financial, and regulatory obligations as EOED.

Risk level identified during the initial and periodic risk assessments of MassTech Collaborative drive compliance activities for the program. Central to the compliance program is the objective of maximizing benefits and minimizing risks. To achieve this objective, it is essential that compliance resources be prioritized for areas with the greatest need for oversight, rather than areas with limited risk of compliance violations. As a result, the initial set and degree of compliance activities (those implemented at the start of the program) have been determined by evaluating the risk assessment of subrecipients conducted before the project began. Medium to high level risks identified during the subrecipient risk assessment should be prioritized over low to no risks for compliance activities (including desk audits, communication, report reviews, audit reviews, etc.). The risk assessment activity will be revisited on a quarterly basis to ensure that all risks are appropriately identified and assessed. After each risk assessment is completed, EOED shall make all appropriate adjustments to compliance activities to ensure risks are mitigated and the value of program resources is maximized. Similarly, MassTech Collaborative must ensure any second tier subrecipients, grantees, contractors or other selected entities adhere to program requirements and in accordance with the grant agreement executed with EOED as well as MassTech Collaborative's Subrecipient Monitoring Policy.

EOED uses the following methods to monitor potential risk:
1. Day-to-Day communication: EOED personnel maintain ongoing communication with MassTech Collaborative to provide programmatic guidance and review reimbursement requests.

2. Monthly Check-ins: EOED meets monthly with MassTech Collaborative personnel, and as needed, to maintain ongoing communication with MassTech Collaborative to provide programmatic guidance and review reimbursement requests.

3. Site Visits: EOED may conduct periodic site visits to review MassTech Collaborative 's overall implementation of the program, adherence to program guidelines, and achievement of goals/objectives and to identify issues and provide technical assistance as needed.

4. Desk Reviews: Desk reviews will be conducted on a regular cadence utilizing reports submitted by MassTech Collaborative or its grantees to identify a

reasonable sample. Desk reviews may also address, as needed, third-party audit findings, specific questions, program issues, finding remediation, or allowability of expenditures charged to the IIJA programs.

Additional Monitoring Resources

EOED will provide additional support to MBI in ensuring compliance with the BEAD program as needed. EOED developed training and educational materials on compliance with 2 CFR 200. EOED will supplement these materials with information specific to BEAD and the Commonwealth's approved proposal.