



INVOICING JOB AID - MINI VIDEO SERIES

PART 3 - ELIGIBLE AND INELIGIBLE EXPENSES

March 2024

Disclaimer

- This invoicing job aid is not an exhaustive guide and is **only to be used for improving the grantees' awareness** needed to ensure error-proof invoicing
- All grantees are subject to stringent federal, state and local guidelines/laws and this document is not to be perceived as a substitute for the aforementioned guidelines/laws.
- Grantees/Sub-recipients must maintain financial records/supporting documentation to ensure compliance with Federal regulations and allow TNECD/Auditors access to these records for compliance checks.
- Enforcement actions, deficiency in internal controls & remediation plans would be recommended strictly in accordance with Federal regulations
- In the event of any discrepancy, Federal regulations will prevail over the content/references mentioned in this job aid.

Mini Video Series – 3/5

01

Goals

02

Overview of the
Process of Invoice
Submission

03

Filling Invoice
Template

04

Compiling Request
Package

05

Eligible and
Ineligible
Expenses

06

Delivering the
Package to
ECD

07

Submitting
Revisions

08

Review Timeline &
Payment

09

Common Errors
to Avoid

10

Key Resources
and Contacts

Eligible Expenses

TEBF-ARPA

Eligible expenses are costs necessary to provide broadband service to an end user. These include:

1. Network and access equipment costs
2. Reasonable make-ready and one-time pole licensing costs, excluding recurring pole attachment payments
3. Equipment shelter, land, site preparation, and site restoration costs (case by case basis)
4. Customer premises equipment. Only covers up to the network demarcation point (e.g., NID or ONT)
5. Construction costs, including procured labor and inspection
6. Engineering and project management design costs
7. Testing
8. Other upfront costs such as site preparation, permits etc.
9. Vehicles (case to case basis)
10. The reimbursement of internal labor costs is limited to the proportion of time employees spend exclusively on project activities

Ineligible Expenses

TEBF-ARPA

1. Internal administrative activities
2. Fundraising activities
3. Computers or office equipment
4. Equipment owned or leased by the customer
5. Operating expenses
6. Expenses incurred prior to the date of the grant award announcement (except for Make Ready and Inventory backdated to March 3, 2021)
7. Payment of interest or principal on outstanding debt instruments, or other debt service costs
8. Fees or issuance costs associated with the issuance of new debt;
9. 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
10. To support or oppose collective bargaining
11. Advertisement/printing service
12. Expenses on website templates, domains, designs etc.
13. Register agent services - Ineligible as they fall under company's operational services.
14. A performance bond agreement cost (between the grantee and the vendor)

Eligible Expenses 1/2

Following is a list of the most common budget categories of allowable costs for DSEW grants.

1. Salaries:

- Salaries/wages of students working with employers if the individuals' percentage of time can be tracked
- Employee benefits and payroll taxes

2. Professional fees

are allowed for contractor providing services

3. Supplies

(less than \$5,000)

4. Capital purchases

related to training equipment (equipment \$5,000 or more)

5. Staff travel.

Accommodate expenses for travel by program staff. The travel expenses allowed under this category are: mileage (at the federal rate, which is \$0.655/mile), lodging, per diem (including meals)

7. Other non-personnel expenses:

- E.g., licenses, permits, registration, etc.
- Devices or hotspots to program participants.
- Telehealth devices if the training delivered is hands-on (thermometers, pulse ox, and blood pressure cuffs)
- Lease (TNECD preference for multi-year lease), to deliver classroom trainings

8. Specific assistance to individuals

9. Administrative expenses.

- These must be direct administrative assistance costs associated with the program (not indirect).
- Cannot surpass 6% of the total budget unless a negotiated indirect cost rate agreement is in place.
- Development Districts support may be considered as an administrative cost. If the grantee does not have an indirect cost rate, up to 6% is allowed to be allocated to the administrative cost in the budget.
- Expenses for travel by a third party to support grant management. The travel expenses allowed under this category are listed below and must be summarized as a single “Mobilization Cost” line-item:
 - Mileage (at the federal rate, which is \$0.655/mile)
 - Lodging
 - Per diem (including meals)

Ineligible Expenses

1. **Incentives for incorporation** of broadband across different sectors
 - Subsidies
 - Tax benefits
2. **Discounted internet service**
3. **Promotional items/memorabilia**
 - Models
 - Gifts
 - Souvenirs
 - Other costs designed solely to promote the grant-holding agency
4. **Grants and awards**
 - Scholarships or vouchers to fund industry-relevant credentialing
5. **Capital purchases**
 - Vehicle
 - Land acquisition
6. **Entertainment**
 - Food
 - Amusement
 - Diversion
 - Social activities
 - Other associated costs
7. **Costs** that are **not reasonable, necessary, or allocable** to the grant
8. **Contingency costs**
9. Expenses incurred **prior to the date of the grant award announcement**

Eligible Expenses 1/5

CCF

Following is a list of budget categories of allowable costs for CCF grants

1. **Construction**, repair, rehabilitation, installation, and improvement of facilities:

- Abatement*: Costs associated with the removal or mitigation of hazardous materials from a facility or site.
- Asbestos Removal*: Expenses related to the safe and proper removal of asbestos-containing materials from a facility or site.
- Inspection Fees*: Costs associated with inspections necessary for compliance and quality assurance of the renovation project.
- Internal labor costs associated with eligible project activities.
- HVAC Systems.

2. **Architecture/engineering fees**. Designing and constructing the proposed project: engineering, architectural, and project management costs

- Engineering Fees*: Expenses related to professional engineering services directly associated with the renovation project.
- Architectural Fees*: Costs incurred for professional architectural services directly related to the renovation project.

Eligible Expenses 2/5

CCF

Following is a list of budget categories of allowable costs for CCF grants

3. Grant/Project Administration

- Administration, including carrying out performance accountability requirements (e.g., compiling monthly expenditure reports, aggregating quarterly performance data, fulfilling a request from TNECD concerning costs or other program-level information, etc.) and activities completed by the awardee's Professional Grant Administrator
- Planning activities (excludes strategizing and implementation of developed plan)
- Budgeting and accounting services to track grant and prepare reimbursement requests.
- Environmental review
- Federal grant compliance (Davis-Bacon, financial management, procurement, closeout, etc.)

4. Supplies, telephone, postage and shipping, equipment rental and maintenance, and printing

- Office equipment and supplies for skills training.
- Shipping
- Curriculum materials or kits (for instructors and students)
- Student computers, including subsidized or low-cost devices and refurbishing supplies. If there is a device distribution or device purchase component to the project, the total % of those costs should be limited to 30% of the total project cost.
- Print and digital advertising (e.g., fliers, yard signs)
- Telecommunications equipment (e.g., hotspots)
- Supplies for hands-on learning activities (e.g., ladders)

Eligible Expenses 3/5

CCF

Following is a list of budget categories of allowable costs for CCF grants

5. Occupancy

- Ancillary costs necessary to operationalize and put the capital assets to full use
- Examples of ancillary costs include project costs related to project planning and feasibility, broadband installation, and community engagement, broadband adoption, digital literacy, and training associated with a planned or completed Project funded by the Capital Projects Fund program.
- Costs of long-term leases (for 5+ years terms) of facilities required to provide qualifying broadband service, including infeasible right-of-use (IRU) agreements and capital leases.

6. Professional Fees, Grants and Awards

- Professional fees to outside professionals, consultants, agencies, and personal-service contractors, including to design and/or implement grassroots marketing campaigns for the Affordable Connectivity Program, and grant and award costs for the project
- Legal and auditing fees
- Data gathering
- Public feedback processes
- Equity assessments and planning
- Needs assessments.
- Permitting, planning, architectural design, engineering design, and work related to environmental, historical, and cultural reviews.
- Organization's awards, grants, subsidies, and other pass-through expenditures to individuals and to other organizations including allocations to affiliated organizations..

Eligible Expenses 4/5

CCF

Following is a list of budget categories of allowable costs for CCF grants

7. Capital Purchases

- Computer labs or classrooms with devices in place (measured by price of rental, # of hours of use, # of seats needed, etc.)
- Assistive or adaptive technology (e.g., mobility devices, such as walkers, wheelchairs, hardware, software, and peripherals that assist people with disabilities in accessing computers or other information technologies)
- General-purpose equipment (e.g., motor vehicles enabling transportation, assistance for program participants, printing or reproduction technology)
- Special-purpose equipment
- Equipment for hands-on learning activities (e.g., power tools, wiring lab, simulating lab)

8. Project contingency

- Potential cost estimation shortfalls. This cost should be within 15% of the total project budget cost.

9. Other non-personnel

- Permits
- Required licenses, such as digital subscriptions and software licenses.
- Sales tax applicable to new equipment purchases and warehousing expenses.
- Mileage rates charged as part of digital skills training expenses should be charged within \$0.655/mile.

Eligible Pre-Award Expenses 5/5

CCF

The following expenses are eligible as pre-award allowable expenses and will be counted towards the 10% match requirement:

- 1. Abatement:** Costs associated with the removal or mitigation of hazardous materials from a facility or site.
- 2. Engineering Fees:** Expenses related to professional engineering services directly associated with the renovation project.
- 3. Architectural Fees:** Costs incurred for professional architectural services directly related to the renovation project.
- 4. Asbestos Removal:** Expenses related to the safe and proper removal of asbestos-containing materials from a facility or site.
- 5. Inspection Fees:** Costs associated with inspections necessary for compliance and quality assurance of the renovation project.
- 6. Any cost required** (within reason) to prep a facility or site for renovation or construction.

Ineligible Expenses 1/2

Connected Communities Facilities funds must not be used for the following activities or initiatives:

1. **Grant/Project Administration:** Fundraising activities
2. **Supplies, telephone, postage and shipping, equipment rental and maintenance, and printing**
 - Promotional items and memorabilia
 - Models, gifts, souvenirs
 - Other costs designed solely to promote the grant-holding agency.
3. **Entertainment**
 - Food, amusement, diversion, social activities
 - Other associated costs
4. **Occupancy.** Short-term leases – less than 5 years
5. **Professional Fees, Grants and Awards**
 - Travel costs (associated with program-related functions)
 - Flights/airfare
 - Hotels/lodging
 - Meals
 - Vehicle rentals
 - Fundraising activities

Ineligible Expenses 2/2

Connected Communities Facilities funds must not be used for the following activities or initiatives:

6. Other non-personnel

- Travel costs (associated with program-related functions)
 - Flights/airfare
 - Hotels/lodging
 - Meals
 - Vehicle rentals
 - Travel-related insurance
- Discounts or subsidized broadband service
- Incentives for incorporation of broadband across different sectors
 - Subsidies
 - Tax benefits

Eligible Expenses 1/4

BRC

Following is a list of budget categories of allowable costs for BCR grants

1. Supplies, telephone, postage and shipping, equipment rental and maintenance, and printing Office equipment and supplies for skills training.

- Shipping
- Curriculum materials or kits (for instructors and students)
- Student computers, including subsidized or low-cost devices (e.g., computers, tablets) and refurbishing supplies
- Print and digital advertising (e.g., fliers, yard signs)
- Telecommunications equipment (e.g., hotspots)
- Supplies for hands-on learning activities (e.g., ladders)

2. Capital Purchases (\$5000 or more)

- Computer labs or classrooms with devices in place (measured by price of rental, # of hours of use, # of seats needed, etc.)
- Assistive or adaptive technology (e.g., mobility devices, such as walkers, wheelchairs, hardware, software, and peripherals that assist people with disabilities in accessing computers or other information technologies)
- General-purpose equipment (e.g., motor vehicles enabling transportation, assistance for program participants, printing or reproduction technology)
- Special-purpose equipment
- Equipment for hands-on learning activities (e.g., power tools, wiring lab, simulating lab)

3. Construction.

- Construction, repair, rehabilitation, installation, and improvement of facilities such as internal wiring.
- Internal labor costs associated with eligible project activities.
- Material for the installation of fiber such as conduit and boring.
- Contingency that was budgeted must be applied towards construction costs for public Wi-Fi installation.

4. Architect/engineering fees.

- Designing and constructing the proposed project: engineering, architectural, and project management costs .

Note: For construction related expenses, project has to justify that there is an existing network at place and the expenses are mainly for wi-fi drops. Grantee can collaborate with an existing ISP. In case of multiple ISP availability, grantee must leverage the one providing superior speed.

5. Professional fees and grant & awards.

- Professional fees to outside professionals, consultants, and personal-service contractors, and grant and award costs for the project, including to design and/or implement grassroots marketing campaigns (i.e. flyers, local Facebook ads) for the Affordable Connectivity Program
- Legal and auditing fees
- Data gathering
- Public feedback processes
- Equity assessments and planning
- Needs assessments.
- Permitting, planning, architectural design, engineering design, and work related to environmental, historical, and cultural reviews.
- Organization's awards, grants, subsidies, and other pass-through expenditures to individuals and to other organizations including allocations to affiliated organizations.
- Mileage rates of vehicle rentals associated with eligible project activities (must be charged within \$0.655/mile)
- Payments to fund digital training certifications for workforce development programs (Cyber-Security Certification)

6. Other non-personnel.

- Permits
- Required licenses, such as digital subscriptions and software licenses.
- Sales tax applicable to new equipment purchases and warehousing expenses.
- Mileage rates of vehicle rentals associated with delivering digital skills training expenses (must be charged within \$0.655/mile)

7. Administrative expenses.

- Administration, including carrying out performance accountability requirements (e.g., compiling monthly expenditure reports, aggregating quarterly performance data, fulfilling a request from TNECD concerning costs or other program-level information, etc.) and activities completed by the awardee's Professional Grant Administrator.
- Planning activities (excludes strategizing and implementation of developed plan)
- Budgeting and accounting services to track grant and prepare reimbursement requests.
- Environmental review
- Federal grant compliance (Davis-Bacon, financial management, procurement, closeout, etc.)

The following categories are the most common for grantees and are unallowable costs to the grant.

1. Travel Costs (associated with program-related functions)

- Flights / airfare
- Hotels / lodging
- Meals
- Transportation (vehicle rentals, etc.)
- Related insurance

2. Discounts or Subsidized Broadband Service

- Discounted internet service

3. Incentives for Incorporation of Broadband across Different Sectors

- Subsidies
- Tax Benefits

4. Supplies, telephone, postage and shipping, equipment rental and maintenance, and printing Office equipment and supplies for skills training

Promotional items and memorabilia

- Models, gifts, souvenirs
- Other costs designed solely to promote the grant-holding agency

Entertainment

- Food, amusement, diversion, social activities
- Other associated costs

5. Capital purchases

- Vehicles / vehicle rentals
- Land acquisition

The following categories are the most common for grantees and are unallowable costs to the grant.

6. Construction

Any costs related to the Middle Mile, Last Mile construction, acquisition, or improvement of middle mile and last mile infrastructure in unserved and underserved areas

7. Professional fees and grant & awards

- Fundraising activities
- County employees' salaries are ineligible for funding. However, salaries for personnel within distinct governmental entities are eligible. For instance, funding may support a digital navigator's salary at a library that operates independently from county government. Validation during budget review and contracting ensured that such employees are not considered County employees.
- Salary and benefits cannot be reimbursed, but hourly wages can, and they will need to clearly track hours spent on the project.

8. Administrative Expenses

- Fundraising Activities

Eligible Expenses 1/3

TCAT

The following categories are the most common for grantees and are allowable costs to the grant.

- 1. Salaries and Wages.** Covered personnel include program directors and assistant directors, teachers, support staff, career or success coaches, other agency staff (e.g. executive leaders, HR staff, IT staff, and/or facilities staff), translators, workforce development specialists, accessibility specialists, tutors, etc.
- 2. Employee Benefits & Payroll Taxes:**
 - Employer-paid portions of FICA
 - Employee insurance and retirement plans
 - Unemployment and workers' compensation insurance
 - Professional development: costs for formal professional development activities, including conference fees, travel expenses, speaker/trainer fees, etc. Costs for staff salaries/wages associated with professional development are not considered administrative.

3. Supplies, Telephone, Postage & Shipping, Equipment Rental & Maintenance, Printing & Publications

- Telecommunications-related curriculum materials (e.g. manuals, workstations, etc.) for both instructors and students from a variety of credible and industry-standard companies or institutions (e.g. C-Tech, CompTIA A+, SBCA, ETA, TestOut, OSHA, Southern Education Systems, STS, etc.). This could include a range of certification or specialty paths.
- Certification supplies
- Student and instructor computers, including new, refurbished, subsidized, or low-cost devices.
- Desktop computers (e.g. business-grade desktops for computer labs)
- Computer supplies and accessories (e.g. individual docks, monitors, etc.)
- Refurbishing supplies
- Hotspots
- Office supplies (e.g. industrial-purpose disposable wipes)
- Special purpose equipment
- Equipment for hands-on learning activities
- Print and digital advertising (e.g. fliers, yard signs, billboards, websites, radio ads, etc.) Unemployment and workers' compensation insurance
- Classroom furniture (e.g. desks, chairs, other related accessories)

4. Reimbursable Capital Purchases

- Computer labs or classrooms with devices in place (measured by price of rental, # of hours of use, # of seats needed, etc.)
- Other specialized equipment over \$5,000

5. Specific Assistance to Individuals

- Transportation assistance for students (e.g. vouchers for public transportation fares)
- Childcare assistance for students
- Participation stipend
- Exam fees

The following categories are the most common for grantees and are unallowable costs to the grant.

1. Travel Costs (associated with program-related functions)

- Flights / airfare
- Hotels / lodging
- Meals
- Transportation (vehicle rentals, etc.)
- Related insurance

2. Discounts or Subsidized Broadband Service

- Discounted internet service

3. Incentives for Incorporation of Broadband across Different Sectors

- Subsidies
- Tax Benefits

3. Promotional Items and Memorabilia

- Models
- Gifts
- Souvenirs
- Other costs designed solely to promote the grant-holding agency

4. Entertainment

- Food
- Amusement
- Diversion
- Social activities
- Other associated costs

5. Costs that are not reasonable, necessary, or allocable to the grant

Eligible Expenses 1/2

LM-MM

Following is a list of allowable costs for the Last Mile and Middle Mile grants

Grant funding can only be used to pay for necessary construction, acquisition, and improvement of middle mile and last mile infrastructure. Costs that appear excessive and/or without justification and costs not considered eligible will not be reimbursed.

Examples of eligible uses for both grant programs:

1. Internal labor costs incurred as part of eligible project activities
 - Only reimbursable up to the proportion of employees' time spent exclusively on project activities during the period for which reimbursement is sought. Indirect costs are not reimbursable.
2. Network and access equipment costs
3. Reasonable make-ready (includes stored materials) and one-time pole licensing costs, excluding recurring pole attachment payments
4. Testing
5. Vehicles (on a case-by-case basis)

7. Equipment shelter, land, site preparation, and site restoration costs
8. Professional services (including engineering and project management costs of design and instruction)
9. Other miscellaneous upfront costs: Includes any other upfront costs not covered in other categories, such as site preparation, permits, required licenses, sales tax applicable to new equipment purchases, shipping and warehousing expenses, and miscellaneous minor material
10. Capital purchase to include vehicles or equipment purchased at \geq \$5,000
11. Tax payments which includes sales tax paid by the grantees on vendor invoices
- 12. Eligible use for Last Mile Grant Program only:**

Customer premises equipment: funding only covers up to the network demarcation point (e.g., network interface device [NID] or optical network terminal [ONT])

Ineligible Expenses

Ineligible costs include any costs that are not for necessary construction, acquisition, and improvement of middle mile and last mile infrastructure in unserved or underserved areas. Examples of ineligible uses for both grant programs:

1. Internal administrative activities
2. Fundraising activities
3. Computers or office equipment
4. Equipment owned or leased by the customer, including routers and modems, and any other costs beyond the network interface point
5. Operating expenses
6. Expenses incurred prior to the date of the grant award announcement (with the exception of Make Ready and Inventory backdated to March 15, 2021)
7. Payment of interest or principal on outstanding debt instruments, or other debt service costs
8. Fees or issuance costs associated with the issuance of new debt
9. 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
10. To support or oppose collective bargaining



Department of
**Economic &
Community Development**

THANK YOU