

GUIDANCE FOR THE CORONAVIRUS CAPITAL PROJECTS FUND *FOR TRIBAL GOVERNMENTS*

U.S. Department of the Treasury





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U.S. Department of the Treasury | September 2021

INTRODUCTION

The U.S. Department of the Treasury (Treasury) is issuing this guidance regarding the Coronavirus Capital Projects Fund (Capital Projects Fund), established by Section 604 of the Social Security Act (the Statute), as added by Section 9901 of the American Rescue Plan Act of 2021 (American Rescue Plan). This guidance provides a summary of project eligibility and terms and conditions, as well as information about the process for applying for a grant under the Capital Projects Fund program. This guidance may be updated, revised, or modified, and Treasury may waive these standards to the extent permitted by law.

The American Rescue Plan appropriated \$10 billion to Treasury to provide payments to States, territories, freely associated states, and Tribal Governments “to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease (COVID-19).” Treasury has separately published the allocations available to each eligible entity in accordance with Section 604(b), which is available at: treasury.gov/CPF.

Although this is not a competitive grant program, States, territories, and freely associated states must submit an Application and a Grant Plan; for Tribal Governments, the Application also serves as their Grant Plan.

The Capital Projects Fund allows for investment in high-quality broadband infrastructure as well as other connectivity infrastructure, devices, and equipment. Treasury encourages consultation with the statewide entity or office that oversees broadband planning and implementation, where such an entity or office exists, when planning for the use of Capital Projects Fund grant funding. In addition to supporting broadband, it also provides flexibility for each State, territory, freely associated state, and Tribal Government to make investments in other Capital Projects designed to directly enable work, education, and health monitoring and that meet Treasury’s other criteria. The Capital Projects Fund also provides flexibility for each Recipient to identify communities to be served by Capital Projects, so long as the Recipient can demonstrate that said communities have critical needs related to work, education, and health monitoring that the Capital Project intends to address.

Treasury expects many Recipients will choose to use Capital Projects Fund grant funding for Broadband Infrastructure Projects. The COVID-19 public health emergency highlighted that access to high-quality internet can enable work, education, and health access, and that individuals and communities that lack affordable access to such high-quality internet are at a marked disadvantage. Investing in broadband for communities sensitive to or that have historically experienced these inequities will be critical for improving digital equity and opportunity, especially in the case of communities that currently lack access to the affordable, reliable, high-quality broadband internet that is necessary for full participation in school, healthcare, employment, social services, government programs, and civic life.



I. AWARD TERMS AND CONDITIONS

This Section describes the overall structure and terms of the assistance, including key information on Eligible Applicants, allocations, Capital Projects eligible for funding, eligible and ineligible costs, labor practices, and the period of performance. This guidance is not intended to provide a comprehensive listing of the award terms and conditions. Such terms and conditions will be contained in the Grant Agreement.

A. ELIGIBLE APPLICANTS

Section 604 identifies States, certain territories and freely associated states, and Tribal Governments, as the entities eligible to apply for a Capital Projects Fund grant (“Eligible Applicants”).

- Eligible states (“States”) are each of the 50 states, the District of Columbia, and Puerto Rico.¹
- The seven eligible territories and freely associated states are the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.²
- An eligible Tribal government³ is the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published most recently as of the date of enactment of this Act pursuant to Section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).⁴ The State of Hawaii, for exclusive use of the Department of Hawaiian Home Lands and the Native Hawaiian Education Programs to assist Native Hawaiians, is also eligible to apply for funding under this funding category.

Capital Projects Fund Recipients may award funds to Subrecipients, such as other levels or units of government (e.g., municipalities or counties), non-profits, or private entities. For example, for Broadband Infrastructure Projects, Subrecipients may include co-operatives, electric utilities, and other entities that build or operate broadband networks, including networks that are owned, operated by, or affiliated with local governments.⁵

¹ Section 604(d)(2).

² Section 604(b)(1)(B).

³ Section 604(d)(3) of the Capital Projects Fund Statute provides that the term “Tribal government” has the same meaning given to the term in Section 602(g).

⁴ Available at <https://www.federalregister.gov/documents/2021/01/29/2021-01606/indian-entities-recognized-by-and-eligible-to-receive-services-from-the-united-states-bureau-of>.

⁵ Subrecipients receive a subaward from a Recipient to carry out a Capital Project on behalf of the Recipient with the Recipient’s federal award funding. Recipients are responsible for monitoring and overseeing Subrecipients’ use of funds and other activities related to the award to ensure that the Subrecipient complies with the statutory and regulatory requirements and the terms and conditions of the award. Recipients remain responsible for reporting to Treasury on their Subrecipients’ use of funds.



B. ALLOCATIONS

Section 604 provides for a total of \$10 billion for Treasury to make grants to Eligible Applicants to carry out critical Capital Projects and directs the Secretary of the Treasury to make grants to the Eligible Applicants in accordance with the allocation formula set forth in the Statute.

Treasury separately published on its website the allocations for each Eligible Applicant, along with the methodology used for implementing the statutory allocation formula. These documents can be accessed at: treasury.gov/CPF.

C. PROJECT ELIGIBILITY

Section 604 authorizes Capital Projects Fund Recipients to use Capital Projects Fund grant funds for critical Capital Projects that directly enable work, education, and health monitoring in response to the COVID-19 public health emergency. Such Projects include remote options.

For a Capital Project to be an eligible use of Capital Projects Fund grant funds, it must meet all of the following criteria:

1. The Capital Project invests in capital assets designed to directly enable work, education, and health monitoring.
2. The Capital Project is designed to address a critical need that resulted from or was made apparent or exacerbated by the COVID-19 public health emergency.
3. The Capital Project is designed to address a critical need of the community to be served by it.

a) Presumptively Eligible Projects

- **Broadband Infrastructure Projects.** The construction and deployment of broadband infrastructure projects ("Broadband Infrastructure Projects") are eligible for funding under the Capital Projects Fund program if the infrastructure is designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical download and upload speeds of 100 Mbps. If it would be impracticable, because of geography, topography, or excessive cost, for a Broadband Infrastructure Project to be designed to deliver services at such a speed, the Project must be designed so that it reliably meets or exceeds 100 Mbps download speeds and between 20 Mbps and 100 Mbps upload speeds and be scalable to a minimum of 100 Mbps symmetrical for download and upload speeds. Treasury encourages Recipients to focus on projects that will achieve last-mile connections. Recipients considering funding middle-mile projects are encouraged to have commitments in place to support new and/or improved last-mile service.

Recipients are encouraged to prioritize investments in fiber-optic infrastructure where feasible, as such advanced technology better supports future needs. Treasury also encourages Recipients to prioritize Projects that involve broadband networks owned, operated by or affiliated with local governments, non-profits, and co-operatives—providers with less pressure to generate profits and with a commitment to serving entire communities.

Treasury strongly encourages that the chief executive of the Eligible Applicant and/or the authorized representative consult with the statewide entity or office that oversees broadband planning and implementation, where such an entity or office exists, when



planning for the use of Capital Projects Fund grant funds.

Recipients are encouraged to address affordability as a barrier to full use of the internet when developing their Program Plans for Broadband Infrastructure Projects. Affordability of broadband is necessary to directly enable its use by all Americans. Therefore, when selecting Broadband Infrastructure Projects for Capital Projects Fund grant funding, Recipients are required to consider whether the broadband service options offered by recipients of Capital Projects Fund grant funding will be affordable to their target markets in the proposed service area. Recipients are also encouraged to consult with the community as part of the process they undertake to consider affordability and are required to publish the description of their process for considering affordability in their project selection process. Additionally, Recipients are encouraged to require that services provided by a Capital Projects Fund-funded Broadband Infrastructure Project include at least one low-cost option offered at speeds that are sufficient for a household with multiple users to simultaneously telework and engage in remote learning. Recipients will be required to report pricing data as part of program performance and monitoring.

Recipients are also required to ensure that the service provider for a completed Capital Projects Fund-funded Broadband Infrastructure Project participate in federal programs that provide low-income consumers with subsidies on broadband internet access services. Initially, Recipients will be required to ensure that completed service offerings funded by the Capital Projects Fund allow subscribers in the service area to utilize the Federal Communications Commission's (FCC) Emergency Broadband Benefit (EBB) program. Once the FCC's EBB program has terminated, Treasury will identify any other program(s) that service providers must participate in to meet this requirement. Treasury will not identify programs that would require the service provider to be designated as an eligible telecommunications carrier.

Investments in Capital Projects must be carried out in ways that comply with applicable federal laws, including the 2019 National Defense Authorization Act (NDAA). Among other requirements contained in 2 C.F.R. Part 200, 2 C.F.R. 200.216 implements certain provisions of the NDAA and contains prohibitions on the use of grant funds to procure or obtain certain telecommunications and video surveillance services or equipment provided or produced by designated entities, including certain entities owned or controlled by the People's Republic of China. In addition, 2 C.F.R. 200.471 provides that certain telecommunications and video surveillance costs associated with 2 C.F.R. 200.216 are unallowable.

Recipients must explain why the communities they have identified to be served by Broadband Infrastructure Projects have a critical need for those projects as is related to access, affordability, reliability, and/or consistency. Additional discussion and explanation of critical needs can be found in Section I.C.c.3. Recipients are encouraged to prioritize projects that are designed to provide service to households and businesses not currently served by a wireline connection that reliably delivers at least 100 Mbps of download speed and 20 Mbps of upload speed. To the extent Recipients are considering deploying broadband to locations where there are existing enforceable federal or state funding commitments for reliable wireline service at speeds of at least 100 Mbps of download speed and 20 Mbps of upload speed, the Recipient should ensure that the Capital Projects Fund grant funding will not be used for costs that will be reimbursed by the other federal or state funding stream(s). That is, Capital Projects Fund grant funds must be used only for complementary purposes. Recipients must ensure there is additional public benefit and a



justification for using additional public funding to deploy to those locations. Treasury encourages Recipients to use all available federal and state datasets when making these determinations.

When determining the communities to be served by Broadband Infrastructure Projects, Recipients may choose to consider any available data including but not limited to documentation of existing broadband internet service performance, federal and/or state collected broadband data, user speed test results, interviews with community members and business owners, reports from community organizations, and any other information they deem relevant.

In evaluating such data, Recipients may take into account a variety of factors, including whether users actually receive internet service at or above speed thresholds at all hours of the day, whether factors other than speed such as latency or jitter, or deterioration of the existing connections make their user experience unreliable, and whether the existing service is being delivered by legacy technologies, such as copper telephone lines (typically using Digital Subscriber Line technology) or early versions of cable system technology (DOCSIS 2.0 or earlier), and other factors related to the services to be provided by Broadband Infrastructure Projects. Recipients may consider the actual experience of current broadband customers when making their determinations; and whether there is a provider serving the area that advertises or otherwise claims to offer broadband at a given speed is not dispositive.

- **Digital Connectivity Technology Projects.** The purchase and/or installation of devices and equipment to facilitate broadband internet access are eligible for funding under the Capital Projects Fund program where affordability has been identified by the Recipient as a barrier to broadband adoption and use. Permitted devices and equipment include laptops, tablets, and desktop personal computers⁶ for distribution to members of the public through a short- or long-term loan program or to be made available for use in public facilities. Permitted equipment includes equipment installed as part of public wi-fi infrastructure (e.g., access points, repeaters, routers).

Ownership of the equipment must be maintained by the Recipient or a Subrecipient.

Recipients must explain why the communities they have identified to be served by Digital Connectivity Technology Projects have a critical need for those projects. Additional discussion and explanation of critical needs can be found in Section I.C.c.3.

When determining the communities to be served by Digital Connectivity Technology Projects, Recipients may choose to consider any available data including but not limited to documentation of existing broadband internet service performance and pricing; federal and/or state collected broadband data; user speed test results; federal and/or state collected data, such as the American Community Survey, the U.S. Department of Commerce – National Telecommunications and Information Administration’s Indicators of Broadband Need Map, or the U.S. Department of Housing and Urban Development’s

⁶ Devices, such as phones and televisions, that do not permit users to fully participate in work (e.g., by providing access to fully functional remote video conferences, and necessary work applications), school (e.g., by allowing full participation in remote video classrooms and group projects, as well as the ability to draft and edit complex writing assignments), and health monitoring activities would not qualify as eligible Digital Connectivity Technology Projects under the Capital Projects Fund program.



Qualified Census Tracts, related to internet use, device ownership, income, and poverty; interviews with community members and business owners; reports from community organizations; and any other information they deem relevant.

- **Multi-Purpose Community Facility Projects.** Projects to construct or improve buildings that are designed to jointly and directly enable work, education, and health monitoring are eligible for funding under the Capital Projects Fund program. Examples of Multi-Purpose Community Facility Projects are:
 - Projects to construct or improve full-service community schools that provide a comprehensive academic program to their students and adult education in the community at large; health monitoring to their students and the community; and workforce training or career counseling services that provide community members with the knowledge needed to engage in work, including digital literacy training programs.
 - Projects to construct or improve libraries that provide public access to the internet for purposes including work, education, and health monitoring such as offering digital skills programs and support for community members engaging in virtual learning.
 - Projects to construct or improve community health centers that, in addition to engaging in health monitoring, provide a broader range of services to the communities they serve, including activities such as access to job counseling employment services, as well as health education classes or internship programs for medical professionals.

Projects must be designed to jointly and directly enable work, education, and health monitoring, but these activities need not be the exclusive function or purpose of the Project. For example, a building, such as a library or community center providing the public with access to computers with high-speed internet service, can meet this criterion even if the completed Project is also used for other functions, such as community recreational activities.

Recipients must explain why the communities they have identified to be served by Multi-Purpose Community Facility Projects have a critical need for such projects.

When determining the communities to be served by Multi-Purpose Community Facility Projects, Recipients may choose to consider any available data, including, but not limited to federal and/or state collected data, such as the American Community Survey or the U.S. Department of Housing and Urban Development's Qualified Census Tracts, related to internet use, device ownership, income, poverty, health, education, and employment; interviews with community members and business owners; reports from community organizations; documentation of existing facilities providing similar or identical services to those the Capital Project is intended to provide; and any other information they deem relevant.

Treasury will require Recipients to commit that the Capital Projects will provide services or activities that directly enable work, education, and health monitoring for at least five years from the completion of the Project.



b) Ineligible Projects and Projects Not Presumed to be Eligible

General infrastructure projects, such as highways, bridges, transit systems, and ports, are ineligible under the Capital Projects Fund program. General construction and improvement of hospitals and traditional schools are not presumed to be eligible, although, there may be opportunities for such projects to receive funding under the Capital Projects Fund program if they meet the project eligibility criteria. Such projects will be reviewed on a case-by-case basis.

c) Case-by-Case Review

In addition to the presumptively eligible Capital Projects described above, a Recipient may propose a different use of funds. Such a use must meet each of the statutory criteria. The Recipient must demonstrate that its Project satisfies the criteria below.

1. The Project invests in capital assets designed to directly enable work, education, and health monitoring.

Investments in Capital Assets

Capital Project or Project means the construction, purchase, and installation of, and/or improvements to capital assets⁷ where the costs of such assets are capitalized or depreciated, including ancillary costs necessary to put the capital asset to use.

Examples of capital assets include buildings, towers, digital devices and equipment, fiber-optic lines, and broadband networks. 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.

Projects that are Designed to Directly Enable Work, Education, and Health Monitoring

A Capital Project is designed to directly enable all three activities (work, education, and health monitoring) if the Project is designed to, upon completion, be used by community members while engaged in work, education, and health monitoring or activities to obtain the knowledge or skills to engage in such activities.

Projects must directly enable all three activities of work, education, and health monitoring.

- **Work:** Activities to help community members engage in employment, search for employment, and/or develop the requisite skills and knowledge to become employed (e.g., participate in career counseling programs, workforce training programs, as well as gain access to internet websites to search for and apply to jobs).

A Project is not considered to directly enable work simply because individuals are employed at the location of the completed Capital Project; rather, the asset itself must enable new and further employment opportunities beyond employment at the location of

⁷ Treasury does not intend for the definition of capital assets, as defined under Uniform Guidance, to limit eligible investments under Capital Projects.



the completed Project. In addition, job creation related to project construction and operations (e.g., employment of construction workers) would not satisfy this requirement.

- **Education:** Activities to acquire knowledge and/or skills, undertaken as part of a person's participation in school, an academic program, extracurricular program, social-emotional development program for students or youths, internship, or professional development program, or in another educational environment.
- **Health Monitoring:** Services to monitor an individual's health, including with respect to either physical or behavioral health.

Health monitoring activities are often conducted as part of telemedicine appointments with a healthcare provider, but these activities can be conducted in a variety of other ways, such as during in-person appointments with health care providers or as part of community health screening programs.

Recipients must show that the Project is designed to jointly and directly enable work, education, and health monitoring; however, these activities need not be the exclusive function or purpose of the Project. For example, construction of a building, such as a community center or library providing the public with access to computers with high-speed internet service, can meet this criterion even if the completed Project is also used for other functions, such as community recreational activities.

To directly enable all three activities, the result of the Capital Project should be assets that offer affordable services or are otherwise publicly accessible (e.g., public wi-fi).

Directly Enabling Work, Education, and Health Monitoring after Completion of the Project

Project eligibility is defined by the services that the completed Projects are designed to provide. The exact services or activities may change over time, so long as the Capital Project directly enables all three activities of work, education, and health monitoring for at least five years from the completion of the Project.

2. The Project will be designed to address a critical need that results from or was made apparent or exacerbated by the COVID-19 public health emergency.

Projects must be designed to address impediments to community members' ability to directly engage in work, education, and health monitoring that resulted from or were made apparent or exacerbated by the COVID-19 public health emergency.

Recipients are expected to first identify one or more impediments to participation in work, education, and health monitoring that resulted from or were made apparent or exacerbated by the COVID-19 public health emergency and then identify how any such impediments would be remediated with the Project.

Recipients have broad latitude to identify the specific conditions and circumstances that have impeded their community members' ability to access work, education, and health monitoring activities and services during the COVID-19 public health emergency and must be prepared to provide a description of such conditions and circumstances in their Application. Recipients are



encouraged to solicit input from and engage with community members when identifying these circumstances and conditions.

Treasury recognizes that there are some common impediments that were experienced by communities across the country. As an example, potential exposures to the virus and public health mitigation measures have made safely accessing work, school, and health monitoring resources more difficult for many communities during the COVID-19 public health emergency. The pandemic laid bare the limitations on access to high-quality, affordable, and reliable internet experienced by many Americans, including individuals living in rural America, Tribal communities, and low- and moderate-income communities, and increased reliance on high-quality internet for access to services is expected to remain a feature of American life even after the pandemic subsides. As such, Projects that enable remote access to services (e.g., Broadband Infrastructure Projects, public computer facilities) meet the requirement to remediate a need that resulted from or was made apparent or exacerbated by the COVID-19 public health emergency.

3. The Project is designed to address a critical need in the community to be served by it.

The Project must be designed to address a critical need for the Project in the community to be served by it. Communities with a critical need for the Project include those that do not have access to the resources or services that are provided by the Project, whether because of the physical absence or insufficiency within the community of the type of resources provided by the Project, or because access to those resources is unaffordable, resulting in impediment(s) to participation in work, education, and health monitoring that were caused or exacerbated by the COVID-19 public health emergency.⁸

Recipients have broad latitude to identify communities with a critical need for a Capital Project. In assessing whether a community has such a need, Recipients may consider the existing capacity, service quality, and ability to meet any relevant health, safety, or performance standards for the relevant service to be provided.

Recipients are strongly encouraged to consider individuals and communities in greatest need in identifying communities to be served by a Capital Project.⁹ Historically disadvantaged communities have experienced disproportionately poor work, education, and health outcomes, in part due to lack of access to equitable resources and opportunities in these areas.

When determining the individuals and communities with a critical need that will be served by a proposed Capital Project, Recipients may choose to consider any available data including federal and/or state collected data; interviews with community members and business owners; reports from community organizations; documentation of existing facilities providing similar or identical services to those the Capital Project is intended to provide; and any other information they deem relevant.

⁸ Tribal Governments may identify communities with a critical need that are or are not located on Tribal lands.

⁹ Targeting relief is in line with Executive Order 13985, “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government,” which laid out an Administration-wide priority to support “equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality.”



D. ELIGIBLE AND INELIGIBLE COSTS

Allowable costs are determined in accordance with the cost principles identified in 2 C.F.R. Part 200, Subpart E.¹⁰ Federal funds committed to an award may only be used to cover allowable costs incurred during the period of performance and for allowable closeout costs incurred during the grant closeout process. Cost sharing is not a requirement for the use of these funds.

a) Program Administrative Costs

Absent Treasury's express consent, Program Administrative Costs over the period of performance may not exceed the greater of five (5) percent of the total amounts of the grant received under the Capital Projects Fund, or \$25,000. The five percent limitation on administrative expenses includes the combined total of indirect costs and direct administrative costs charged to an award. The term "Program Administrative Costs" is defined as the costs of administering the Capital Projects Fund grant funding by a Recipient, providing technical assistance to potential Subrecipients, and complying with grant administration and audit requirements. Recipients may request a higher limit on Program Administrative Costs by providing a rationale for the use of additional funds for administrative purposes.

Consistent with 2 C.F.R. 200.414(f), Recipients that do not have a current negotiated indirect cost rate may elect to charge indirect costs to an award pursuant to a de minimis rate of up to ten percent of modified total direct costs (MTDC) for program administration, in which case a negotiated indirect cost rate agreement is not required.

Recipients may use their negotiated cost rate agreement so long as the total of all administrative costs incurred by the Recipient and any subrecipient, whether direct or indirect costs, do not exceed any applicable limit on Program Administrative Costs.

As described in 2 C.F.R. 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both.

b) Project Costs

A Recipient may use funds to cover costs incurred during the period beginning March 15, 2021, for one or more eligible Projects. For pre-award costs incurred after March 15, 2021, but prior to execution of the Grant Agreement, Recipients are required to provide reasonable assurance that the costs were incurred pursuant to the negotiation of and in anticipation of the Capital Projects Fund award and are necessary for the efficient and timely performance of the Project. Such costs are allowable only to the extent they would have been allowable if incurred after the date of the Capital Projects Fund award and only with the written approval of Treasury.

Project costs are not limited to new construction. For example, Project costs can involve improvements and repairs to buildings to permit the buildings to be used for eligible purposes.

Eligible Project Costs. Below is a non-exhaustive list of eligible costs:

¹⁰ The government has established a set of principles for determining eligible or allowable costs. Allowable costs are determined in accordance with the cost principles applicable to the entity incurring the costs. For example, the allowability of costs incurred by State, local or Tribal Governments is determined in accordance with the provisions of 2 C.F.R. Part 200, Subpart E.



- Costs associated with completing the grant or Application;
- 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;
- 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);
- Cost of long-term leases (for terms greater than one year) of facilities required to provide qualifying broadband service, including indefeasible right-of-use (IRU) agreements and capital leases;
- Personnel costs including salaries and fringe benefits for staff and consultants required for carrying out a Capital Project (such as project managers, program directors, subject matter experts, equity consultants, grant administrators, financial analysts, accountants, and attorneys);
- Ancillary costs necessary to operationalize and put the capital assets to full use, including costs to increase broadband adoption and improve digital literacy;
- Costs associated with monitoring of and reporting on Projects in compliance with Treasury requirements, including award closeout costs;
- Costs associated with collecting and measuring performance data and conducting activities needed to establish and maintain a performance management and evaluation regime related to Projects funded by the Capital Projects Fund program.

Ineligible Project Costs. Unless otherwise permitted by Treasury, Capital Projects Fund grant funds may not be used for the following purposes:

- Acquisition of spectrum licenses;
- Operating expenses, other than grant administration costs;
- Short-term operating leases;
- Payment of interest or principal on outstanding debt instruments, or other debt service costs incurred prior to March 15, 2021;
- Fees or issuance costs associated with the issuance of new debt;
- 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
- To support or oppose collective bargaining. This does not affect the ability to use funds to comply with 41 C.F.R. 60-1.4.

E. STRONG LABOR PRACTICES IN CONSTRUCTION

It is important that investments in Capital Projects be carried out in ways that produce high-quality infrastructure, avert disruptive and costly delays, and promote efficiency. Projects funded by the Capital Projects Fund must comply with all applicable federal laws and regulations, and with all requirements for state, local, and Tribal laws and ordinances to the extent that such requirements do not conflict with federal laws.

While the federal Davis-Bacon Act prevailing wage rate requirements do not apply to Projects funded solely by the Capital Projects Fund program, except for Capital Projects Fund-funded



construction Projects undertaken by the District of Columbia,¹¹ Treasury encourages Recipients to ensure that Capital Projects incorporate strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions, not only to promote effective and efficient delivery of high-quality infrastructure projects but also to support the economic recovery through strong employment opportunities for workers. Using these practices in construction projects may help to ensure a reliable supply of skilled labor that would minimize disruptions, such as those associated with labor disputes or workplace injuries. Treasury further encourages Recipients to prioritize employers (including contractors and subcontractors) without recent violations of federal and state labor and employment laws as a further measure that may minimize project disruptions and delays.

Among other requirements contained in 2 C.F.R. 200, Appendix II, all contracts made by a Recipient or Subrecipient in excess of \$100,000 that involve employment of mechanics or laborers must include a provision for compliance with certain provisions of the Contract Work Hours and Safety Standards Act, 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. Part 5). And as noted below in Section III.C, Treasury will seek information from Recipients on their workforce plans and practices related to Capital Projects Fund Projects, as well as information about subcontracted entities.

Further, Treasury encourages Recipients to prioritize in their procurement decisions employers who can demonstrate:

- Their workforce meets high safety and training standards, including professional certification, licensure and/or robust in-house training;
- Prioritization in hiring of local workers and/or workers from historically disadvantaged communities;
- Direct employment of their workforce, or policies and practices in place to ensure contractors and subcontractors meet high labor standards; and
- No recent violations of federal and state labor and employment laws.

F. PERIOD OF PERFORMANCE

All funds must be expended by December 31, 2026, which is the end of the period of performance. Recipients must return to Treasury any grant funds that are not used by the end of the period of performance on December 31, 2026. Treasury may, in its sole discretion, grant extensions to the period of performance upon request from Recipients.

¹¹ Neither the Davis-Bacon Act nor Davis-Bacon Act related provisions requirements apply to projects funded solely with award funds from the Capital Projects Fund, except for Capital Projects Fund-funded construction projects undertaken by the District of Columbia. The Davis-Bacon Act specifically applies to the District of Columbia when it uses federal funds (Capital Projects Fund or otherwise) to enter into contracts over \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Recipients may be subject to the requirements of the Davis-Bacon Act, when Capital Projects Fund grant funds are used on a construction project in conjunction with funds from another federal program that requires enforcement of the Davis-Bacon Act. Additionally, corollary state prevailing-wage-in-construction laws (commonly known as “baby Davis-Bacon Acts”) may apply to projects.



II. GRANT PROCESS FOR TRIBAL GOVERNMENTS

This Section provides a summary of the steps for Tribal Governments, as defined, to access Capital Projects Fund grant funds. The process for accessing Capital Projects Fund grant funding involves the following steps:

1. Submission of an Application to verify Applicant eligibility and eligible use of funds.
2. Execution of a Grant Agreement with Treasury.
3. Submission of certain additional information (for complex Applications and for Eligible Applicants that do not opt for a “presumptively eligible” use of funds).

A. APPLICATION CONTENTS

a) Requested Grant Amount

Eligible Applicants must specify the amount of Capital Projects Fund grant funding that they wish to receive, not to exceed \$167,504.

b) Designation Letter

If anyone other than an Eligible Applicant’s duly authorized Tribal official is submitting the Application, then the Application must include a designation letter signed by the Eligible Applicant’s duly authorized Tribal official that identifies and delegates authority, as appropriate, to an authorized representative. The authorized representative is the individual who will sign the necessary certifications, submit the Application, and sign the Grant Agreement on behalf of the Eligible Applicant. Authorized representatives may include organizations or persons that apply on behalf of the Eligible Applicant. In the event of a delay receiving the designation letter, the authorized representative may still apply on behalf of the Eligible Applicant, but the grant payment will be withheld until Treasury receives the designation letter. If the designation letter is not received by June 1, 2022, the Eligible Applicant’s grant award will be forfeited.

c) Points of Contact

The authorized representative may designate one or more points of contact to communicate with Treasury regarding the Capital Projects Fund Application.

d) Eligibility and Payment Information

The Eligible Applicant must provide its IRS Employer Identification Number (EIN) and its Dun & Bradstreet D-U-N-S Number, a unique nine-digit identification number linked to the Eligible Applicant’s physical location. Eligible Applicants will also be required to provide bank account information necessary to make Capital Projects Fund grant payments, and may be asked to provide additional information to allow Treasury to validate eligibility.

e) Proposed Uses

Eligible Applicants must provide a short description of and identify the proposed use for the grant funds, either by:

- Selecting one of the presumptively eligible uses in the Application form;
- Selecting “Other” and briefly describing the eligible use. If this option is selected,



Treasury will review the proposed eligible use on a case-by-case basis and may request additional information. Case-by-case reviews may add time to the Application review process; or

- Selecting “Additional Time Required” and providing Treasury with the eligible use at a later date. If this option is selected, the Eligible Applicant may still sign a Grant Agreement, but payment will be withheld until the Eligible Applicant notifies Treasury of its proposed uses of the grant funds. If the Eligible Applicant fails to notify Treasury of its proposed uses by June 1, 2022, Treasury may deem its Capital Projects Fund grant forfeited.

B. SUBMITTING APPLICATIONS

Accessing the Capital Projects Fund Portal. To gain access to the Capital Projects Fund Portal and submit an Application, the authorized representative and/or points of contact (see II.A.c), as appropriate, must have a registered username and password through the ID.me identity verification service. ID.me is an approved Treasury service provider. ID.me registration requires a one-time identity verification process that involves validation of multiple forms of identification (e.g., passports) using a mobile phone camera. All personally identifiable information provided to ID.me is encrypted and disclosed only with the express consent of the user. Users who are not able to validate their identity using ID.me should contact the Capital Projects Fund (see Section V).

Application Form. Applications will only be accepted through the Capital Projects Fund Portal, accessible at: <https://portal.treasury.gov/>. A .pdf sample of the Application content will be available on the Treasury website at the address provided below at Section V.

Application Deadline. Eligible Applicants or their designees must complete the Application by June 1, 2022 to receive funding under the Capital Projects Fund program. The exact deadline will be posted on Treasury’s website. **If a Tribal Government fails to submit a complete Application, including a signed designation letter if necessary and an accurate use of funds description by June 1, 2022, the Capital Projects Fund grant funds allocated to the Tribal Government may be forfeited and may be reallocated to other Tribal Governments that submitted complete Applications within the application window. Eligible Applicants are therefore encouraged to submit Applications well in advance of the deadline to allow time for remediation prior to the deadline, if needed.**

Treasury will post the specific timeframe during which it will accept Capital Projects Fund Applications on its website. Capital Projects Fund grant funding may not remain available to Eligible Applicants who fail to submit a timely Application. Eligible Applicants may submit information related to use of Capital Projects Fund grant funds following the submission of the Application.

Tribal Governments may apply individually, jointly with other tribes, or through an organization, consortium, or similar entity. Only one Application shall be accepted for each eligible entity. If anyone other than the Eligible Applicant’s duly authorized Tribal official is submitting the Application, a designation letter is required (see III.A.b). Eligible Applicants should coordinate internally to ensure that only one Application is submitted.

C. EXECUTION OF AGREEMENTS

Treasury Determinations. Treasury will review Applications for completeness, Applicant eligibility,



and consistency with Capital Projects Fund requirements. Treasury will also review additional required or requested material as well as any other reasonable supplementary information submitted by Eligible Applicants. Treasury may consult with other U.S. Government components in reaching its determinations, but final Application determinations will be at Treasury's sole discretion.

Grant Agreements. Once Treasury has validated Application completeness and Applicant eligibility, the Eligible Applicant's authorized representative (see Section II.A.c) will execute a Grant Agreement. Grant Agreements will be standard program documents that are not subject to negotiation. The Grant Agreement will, among other things contain terms and conditions related to the following:

- Roles and responsibilities;
- Grant payments;
- Eligible and ineligible uses of funds (see Section I.C);
- Period of performance on the Capital Projects Fund grants, which ends on December 31, 2026;
- Accounting and reporting requirements;
- Compliance requirements and remedies for noncompliance, including but not limited to return of funds where appropriate;
- Audits, recordkeeping, and internal controls; and
- Other terms required or permitted by federal law.

Treasury may increase the grant amount based on funds available after the Application deadline for Tribal Governments. Treasury will publish additional information related to the availability of additional funding at a future date.

D. PAYMENT OF GRANT FUNDS

After executing a Grant Agreement, Recipients that selected a presumptively eligible use will receive their total requested grant amount. Eligible Applicants that selected "Other" will have their proposed eligible use information reviewed by Treasury prior to payment. Treasury may require modifications to eligible use proposals prior to payment.

E. APPLICATION ASSISTANCE

Treasury is available to answer questions about the grant process and the Capital Projects Fund in general; e-mail correspondence is preferred but not required. The Capital Projects Fund program contact information is provided below at Section V. Treasury may also host webinars and post FAQs on its website.



III. OTHER REQUIREMENTS

This Section provides a summary of other requirements that Recipients must meet, including construction, reporting, and compliance requirements. Treasury will release detailed reporting and compliance requirements soon after the Capital Projects Fund Portal Launch.

A. PUBLIC REPORTING

Treasury is required by transparency laws to disclose the names of Capital Projects Fund Recipients and the amounts of Capital Projects Fund grants, and Treasury may disclose other information provided by Recipients in their Applications to the public. Treasury will post this information on its website and report this information on the usaspending.gov website, which allows the public to see how the federal government has distributed COVID-19 relief funding.

B. COMPLIANCE REQUIREMENTS FOR CONSTRUCTION

Projects funded by the Capital Projects Fund must comply with all applicable federal environmental laws. Generally, the National Environmental Policy Act does not apply to Projects funded by the Capital Projects Fund.¹² Prior to funding a Capital Project, Recipients may complete an environmental checklist, to be made available on the Capital Projects Fund website, to determine whether certain environmental laws apply. Generally, Capital Projects that do not involve construction activities will not be subject to federal environmental review requirements.

Projects must reach substantial completion before December 31, 2026. Substantial completion is defined as the date for which the Project can fulfill the primary operations that it was designed to perform, delivering services to end-users. At substantial completion, service operations and management systems infrastructure must be operational. Recipients may request extensions beyond this timeframe to the extent that factors outside of the Recipient's control have impacted Project delivery timelines. Treasury will approve extension requests on a case-by-case basis.

C. REPORTING

In general, Recipients will be responsible for satisfying the following reporting requirements:

- *Project and Expenditure Reports* submitted annually to Treasury that include data regarding Projects, expenditures, Project status, subawards, civil rights compliance, equity indicators, community engagement efforts, programmatic data such as geospatial data for Broadband Infrastructure Projects, and other measures as determined by Treasury. To provide public transparency on whether Projects are using practices that promote on-time and on-budget delivery, Treasury will seek information from Recipients on their workforce plans and practices related to Capital Projects Fund Projects, as well as information about subcontracted entities.

Treasury will release detailed reporting guidance soon after the Capital Projects Fund Portal Launch.

¹² Projects supported with payments from the Capital Projects Fund may still be subject to NEPA review if they are also funded by or otherwise involve actions from other federal programs or agencies.



D. OVERSIGHT

Recipients and Subrecipients will be subject to audit or review by the Treasury Inspector General and Government Accountability Office.

E. APPLICATION OF UNIFORM GUIDANCE

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200 apply to the Capital Projects Fund grant, except for any provisions Treasury may determine are inapplicable to an award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.

F. SANCTIONS

In the event of a Recipient's noncompliance with applicable law or Capital Projects Fund program requirements or guidance, Treasury may impose additional conditions on the receipt of additional Capital Projects Fund funds by the Recipient, terminate further payments from the Capital Projects Fund, seek the repayment of previous Capital Projects Fund payments, or take other available remedies pursuant to 2 C.F.R. 200.339.

G. CONFIDENTIALITY OF ELIGIBLE APPLICANT INFORMATION

Treasury may publicly share information from the Application. Eligible Applicants are encouraged not to include any confidential or proprietary information in their Applications. If any such information is included, Eligible Applicants must identify and label it.

H. COMPLIANCE WITH APPLICABLE LAWS

Recipients are responsible for complying with all applicable federal, Tribal, and state laws. Tribal governments may review Section III.H, Civil Rights Compliance, of the Guidance for the Coronavirus Capital Projects Fund for States, Territories and Freely Associated States for information on legal requirements relating to nondiscrimination and nondiscriminatory use of federal financial assistance, to the extent applicable.



IV. DEFINITIONS

Treasury will apply the following definitions for purposes of this guidance. These definitions supplement and interpret certain terms in Section 604(b) of the Statute. Terms not defined herein shall have the definitions contained in Uniform Guidance

- (a) “Allocation Table” means a summary of all contemplated funding sources and uses for Program funded with Capital Projects Fund grant funding.
- (b) “Application” means the form hosted on the Capital Projects Fund Portal where Applicants will demonstrate eligibility, provide information, and respond to requirements necessary for receiving a Capital Projects Fund Grant.
- (c) “Broadband Infrastructure Project” has the meaning set forth in Section I.C.a.
- (d) “Capital Project” or “Project” has the meaning set forth in Section I.C.c.
- (e) “Capital Projects Fund Grant Plan” or “Grant Plan” means a plan for deploying Capital Projects Fund grant funding that is submitted by a Recipient as part of the request for funding.
- (f) “Capital Projects Fund Portal” means the electronic submissions portal where Eligible Applicants can submit their Application, Capital Projects Fund Grant Plan, and other information necessary to receive a Capital Projects Fund award. The Capital Projects Fund Portal may be reached at: <https://portal.treasury.gov/>.
- (g) “Capital Projects Fund Portal Launch” means the date at which Treasury begins accepting Applications via the Capital Projects Fund Portal to receive Capital Projects Fund grant funding.
- (h) “Digital Connectivity Technology Project” has the meaning set forth in Section I.C.a.
- (i) “Eligible Applicant” has the meaning set forth in Section I.A.
- (j) “Grant Agreement” means the standardized agreement executed between the Eligible Applicant’s authorized representative and Treasury that outlines the terms and conditions of the funds, reporting and recordkeeping, and other requirements.
- (k) “Multi-Purpose Community Facility Project” has the meaning set forth in Section I.C.a.
- (l) “Program” means one or more Capital Projects with common characteristics (e.g., a group of Multi-Purpose Community Facility Projects that directly enable work, education, and health monitoring) for which an Eligible Applicant is seeking funding under the Capital Projects Fund.
- (m) “Program Administrative Cost” means the costs incurred by a Recipient related to the administration of Capital Projects Fund awards, the provision of technical assistants to potential Sub-recipients, and compliance with grant administration and audit requirements.
- (n) “Program Plan” means a plan submitted by a Recipient containing a description of a Program for which the Recipient is seeking funding under the Capital Projects Fund.



- (o) “State” has the meaning set forth in Section I.A.
- (p) “Statute” means Section 604 of the Social Security Act.
- (q) “Treasury” means the U.S. Department of the Treasury.
- (r) “Tribal Government” means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published most recently as of the date of enactment of this Act pursuant to Section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131) and the State of Hawaii (for exclusive use of the Department of Hawaiian Home Lands and the Native Hawaiian Education Programs to assist Native Hawaiians).
- (s) “Uniform Guidance” means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located in Title 2 of the Code of Federal Regulations (2 C.F.R. 200).



V. CONTACT INFORMATION

E-mail correspondence is preferred. Correspondence by mail may be subject to significant delays.

CapitalProjectsFund@treasury.gov

U.S. Department of the Treasury Attn: **Capital Projects Fund**
1500 Pennsylvania Ave NW
Washington, DC 20220

<https://www.treasury.gov/CPF>

