



Secure and Trusted Communications Networks Reimbursement Program: *Frequently Asked Questions*

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Glossary

FCC: Federal Communications Commission (also 'The Commission')

FA: Fund Administrator

Reimbursement Program: Secure and Trusted Communications Networks Reimbursement Program

RFI: Request for Information

RRD: Removal, Replacement and Disposal

FRN: FCC Registration Number



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Note: Any information, guidance, or advice provided in this FAQ constitutes informal guidance and should not be considered a final or binding FCC determination by FCC staff. See Applications of Mary Ann Salvatoriello, John Boyd, Holly Hill Broad. Co., Suzanne M. Wilson, Memorandum Opinion and Order, 6 FCC Rcd 4705, 4708, para. 22 (1991).

About the Secure and Trusted Communications Networks Reimbursement Program (Reimbursement Program)

1) *What is the Secure and Trusted Communications Networks Reimbursement Program (Reimbursement Program)?*

The Secure and Trusted Communications Networks Act of 2019 (Secure Networks Act) directs the Federal Communications Commission (FCC) to establish the Secure and Trusted Communications Networks Reimbursement Program (Reimbursement Program). The Reimbursement Program aims to secure the nation's communications supply chain and protect national security by reimbursing eligible Providers for the removal, replacement, and disposal of communications equipment and services that pose a threat to the security of our nation's communications networks.

Specifically, the Reimbursement Program will reimburse providers of advanced communications services with ten million or fewer customers for costs reasonably incurred for the removal, replacement, and disposal of covered communications equipment or services that pose a national security risk. Currently, covered communications equipment or services are limited to communications equipment or services produced or provided by Huawei Technologies Company (Huawei) or ZTE Corporation (ZTE) that were obtained by providers on or before June 30, 2020. In the Consolidated Appropriations Act, 2021 (CAA), Congress appropriated approximately \$1.9 billion in funding for the Reimbursement Program.

2) *Who is eligible to participate in the Reimbursement Program?*

To be eligible to participate in the Reimbursement Program, you must be an advanced communications service Provider with ten million or fewer customers that obtained Huawei and/or ZTE equipment and services on or before June 30, 2020. The term "advanced communications service" means high-speed switched, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology with connection speeds of at least 200 kbps in either direction. In addition to Eligible Telecommunications Carriers (ETCs), Providers of advanced communications service



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could include schools, libraries or health care providers, or consortiums thereof, to the extent they provide such facilities-based broadband service to end users.

For purposes of determining eligibility, 'customers' means those customers of the Provider and customers of any affiliate that receive advanced communications services as of the date the application is filed. Providers may be asked to upload supporting documentation to prove their eligibility based on these criteria.

3) *How does the Reimbursement Program work?*

Generally, the Reimbursement Program follows the high-level steps below.

- a. *Providers* – Confirm eligibility to participate in the Program based on eligibility requirements and identify covered Huawei and ZTE equipment and/or services in the network
- b. *Providers* – When the filing window opens, complete the FCC Form 5640 Application Request for Funding Allocation using the online filing portal, inclusive of eligibility and cost estimate information and associated supporting documentation
- c. *FCC & Fund Administrator* – Review applications to determine completeness, eligibility, and reasonableness of cost estimates
- d. *FCC* – Grants or denies applications
- e. *FCC* – Issues funding allocation commitments to eligible Providers based on approved cost estimate submissions and notifies Providers of their allocation amount
- f. *Providers* – Submit invoices and supporting documentation as actual costs are incurred¹
- g. *FCC & Fund Administrator* – Review Reimbursement Claim Requests based on actual invoices submitted and approve or deny requests as they are received
- h. *Department of Treasury* – Issues reimbursement payments for approved Claim Requests

¹ Program participants must submit at least one reimbursement request within one year of allocation issuances. Failure to do so will lead to the allocation expiring and reverting back to the FCC fund for future filing windows. 47 CFR § 1.50004(g)(1).



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- i. *Providers* – Complete removal, replacement, and disposal (RRD) project within the mandated term²
- j. *Providers* – File all Claim Requests by the Reimbursement Claim Request deadline
- k. *FCC & Fund Administrator* – Confirm equipment replacement and disposal, perform audit and close out activities with Providers

More specific information will be released as the window for filing applications approaches, including updated versions of these FAQs, detailed user guides and training associated with application submission.

4) *How do Providers apply to the Reimbursement Program and how can they prepare for the application process?*

The FCC will announce when the Reimbursement Program filing window will open via Public Notice. At that time, Providers that believe they are eligible to participate in the Program will utilize FCC Form 5640 Application Request for Funding Allocation, accessed via an online portal established by the FCC at fcc.gov/supplychain, to submit their applications.

Prior to the filing window opening, Providers that intend to submit an FCC Form 5640 Application Request for Funding Allocation are encouraged to visit the Reimbursement Program website, fcc.gov/supplychain, to obtain more information about the Program and eligibility requirements. Providers should review the [2021 Supply Chain Order](#), the [Reimbursement Program Policies and Procedures Public Notice](#), and the [Cost Catalog](#) and begin to compile any vendor quotes, invoices and other documentation in preparation for their application submission. Providers should also confirm they are registered in SAM.gov. The [SAM.Gov Entity Registration Status Tracker](#), <https://sam.gov/content/status-tracker>, provides information on existing registrations and the registration process. Providers are urged to initiate the registration process, or confirm their existing status, early as registration may take some time to complete.

Detailed user guides and training on the Form 5640 filing process will be provided ahead of the filing window opening.

² Program participants have one year after receiving their first funding disbursement to complete their removal, replacement, and disposal project (referred to as their RRD term), though there is a process through which Providers can request an extension. If granted, the extension would be the new RRD term.



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5) *What and when is the Reimbursement Program filing window period?*

The filing window is the period of time during which Providers can submit their application for participation in the Reimbursement Program. The FCC has announced a target date of October 29, 2021 to open the Reimbursement Program filing window and begin accepting applications. The filing window will be at least 60 days but may be longer. Providers must have their application submitted, including eligibility documentation and all cost estimates, by the filing window close.

The FCC will treat all applications as if they were simultaneously received once the filing window closes. That is, there is no added benefit to filing early during the filing window as applications are processed simultaneously after the filing window closes and not on a first come, first served basis. Requests received outside of the filing window will not be accepted. The FCC and Fund Administrator will begin reviewing applications for eligibility and cost reasonableness after the filing window has closed.

The official opening and closing date of the filing window will be announced by the Wireline Competition Bureau in a Public Notice posted on the [Reimbursement Program website](#).

6) *What forms of documentation will be required as part of my application to support eligibility and documentation of existing equipment?*

The FCC Form 5640 Application Request for Funding Allocation contains a number of questions related to eligibility and documentation of the Applicant's Huawei and ZTE equipment and services obtained on or before June 30, 2020 that is subject to removal, replacement, and disposal.

Provider of Advanced Communications Service. Eligibility, as to whether an Applicant is a provider of advanced communications service, will be validated using FCC Form 477 Local Telephone Competition and Broadband Reporting filing information.³ Applicants not identified as recently filing an FCC Form 477 should be prepared to provide supporting documentation demonstrating their eligibility. Supporting documentation could include:

- Information from the Applicant's website describing services provided to customers

³ All facilities-based broadband providers are required to file data with the FCC twice a year, using the FCC Form 477, on where they offer Internet access service at speeds exceeding 200 kbps in at least one direction.



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- A catalog of services provided to customers
- Annual public financial reports demonstrating number of customers and/or broadband services provided

Covered Huawei/ZTE Equipment. To be eligible for the Reimbursement Program, Applicants must show they have Huawei and ZTE equipment or service that was obtained on or before June 30, 2020. The FCC Form 5640 requires Applicants to identify their existing Huawei/ZTE equipment (e.g., identifying make and model and serial number when available) and date when obtained. Supporting documentation is required, which could include:

- Architecture or network configuration diagram(s) combined with forms of supporting documentation
- Equipment inventory lists with asset level identification (e.g. serial number(s))
- Equipment specifications for existing equipment
- Purchase orders or other documentation (e.g., invoices) that provide equipment specifications and date purchased
- Photographs of equipment

7) *What equipment or service location information are Providers required to provide in their application?*

Each equipment or service will need to correlate to a specific location. As such, Applicants are required to upload specific location information for each site, including:

- Location Name
- Latitude of Location (using WGS84 datum for latitude coordinates)
- Longitude of Location (using WGS84 datum for longitude coordinates)
- Location Address (Number & Street, City, State, and Zip Code)
- Location Address if No Postal Address is Available (a location description is permissible in situations where a postal address is not available)
- Type of Site Location (i.e., cell site, mobile switching center, central office, network operations center, headquarters, or other (if selecting other a brief description is required))



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This applies both to cell sites and office locations that may be the location for network core equipment.

Multiple locations and the associated existing equipment can be added via bulk upload.

8) *Will there be the ability for Providers to batch upload their site locations and existing equipment in their application?*

Yes, Excel templates will be available for download within the FCC Form 5640 Application Request for Funding Allocation to allow Applicants to bulk upload multiple locations and existing and replacement equipment and/or services.

9) *Should Providers file at the holding company level or the individual/subsidiary level?*

Providers are encouraged to submit a single, consolidated application at the holding company level; however, they are permitted to submit at the individual/subsidiary level.

If applying at the subsidiary level, Providers will be required to identify their holding company FCC Registration Number (FRN) under the “Real Party in Interest” Information section of FCC Form 5640.

If applying at the holding company level, Providers will need to provide a listing of the FRNs of the subsidiaries covered by their application. This can be included as an attachment in the application. In this case, the Provider’s FRN and the “Real Party of Interest” FRN will be the same.

10) *When will Providers know if they are eligible to participate in the Reimbursement Program?*

Applicants deemed eligible will be informed at the end of the application review period, which is anticipated to be completed in early Q2 2022.⁴ At this time, they will receive notice of their allocation amount, which will be reflected in the online portal, communicated to them by email, and included in periodically released public notices. As more specific dates associated with Reimbursement Program milestones are known, they will be communicated via the [Reimbursement Program website](#).

⁴ The FCC is required to act on applications within 90 days of submission. The FCC may extend this review period by 45 days if circumstances warrant such an extension.



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Applicants determined to be ineligible will receive communication(s) throughout the application review period and will be provided an opportunity to cure any application defects prior to a final determination.

11) *When can Providers expect to know their allocation amount?*

Eligible Reimbursement Program Participants will be informed of their allocation amount at the end of the application review period, which is anticipated to be completed in early Q2 2022. Reimbursement allocation amounts will be accessible via the online portal, communicated to successful Applicants by email, and included in periodically released public notices. As more specific dates associated with Reimbursement Program milestones are known, they will be communicated via the [Reimbursement Program website](#).

12) *When can Providers begin submitting invoices for reimbursement?*

Participants can begin submitting reimbursement claim requests as soon as they receive their funding allocation, which is anticipated to occur in Q2 2022. As more specific dates associated with Reimbursement Program milestones are known, they will be communicated via the [Reimbursement Program website](#).

Participants must file at least one FCC Form 5640 Reimbursement Claim Request no later than one year after the FCC approves their Application Request for Funding Allocation. Failure to file within the one-year period will result in the FCC reclaiming the Participants funding allocation. Participants can continue to file Reimbursement Claim Requests during the removal, replacement, and disposal (RRD) term and up until 120 days following the end of the Participant's RRD term. Participants should note, however, that costs can only be incurred through the end of their RRD term (i.e., costs incurred after expiration of the RRD term are not eligible for reimbursement).

13) *How will the FCC and Fund Administrator guard against Fraud, Waste, and Abuse?*

In addition to the FCC maintaining records and a rigorous reimbursement claim approval process, Participants may be subject to a variety of audits, site visits, and proof of payment requests during the close out process to assist the FCC and Fund Administrator in guarding the Reimbursement Program against fraud, waste, and abuse.



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Audits may be conducted by various oversight bodies, including but not limited to, the FCC Office of Inspector General (OIG), Government Accountability Office (GAO), or U.S. Department of Treasury. A Participant has an ongoing obligation to retain documentation supporting its requests for reimbursement for a period that extends 10 years after the date it receives its final payment from the Reimbursement Program Fund.

Reimbursements will only be made for actual costs incurred as evidenced by a legitimate third-party invoice provided as documented evidence. Each reimbursement claim submission requires the Participant to certify to its accuracy and compliance with the Reimbursement Program and FCC rules, and any applicable federal statutes.

14) Where can Providers find more information about the Reimbursement Program?

Additional information about the Reimbursement Program can be found on the Program website at www.fcc.gov/supplychain.

Providers may also contact the Reimbursement Program Fund Administrator email address at SCRPFundAdmin@fcc.gov with questions regarding the application and reimbursement request process or regarding actual submissions. Providers may also contact the Reimbursement Program Fund Administrator by calling (202) 418-7540 from 9:00 AM ET to 5:00 PM ET, Monday through Friday, except for Federal holidays.

15) What forms of documentation will be required to support cost estimates?

Documentation to support cost estimates will be requested as part of your FCC Form 5640 Application Request for Funding Allocation. During the filing window, Applicants may use the Catalog of Eligible Expenses and Estimated Costs (the Cost Catalog) embedded in FCC Form 5640 to support requests if quotes or other documentation are not available at the time of submission. However, vendor quotes must be provided for costs not included in the Cost Catalog or for estimates that differ from the average cost estimates listed in the Cost Catalog. Also, vendor quotes must be provided for eligible expenses before the Participant will be reimbursed for actual costs.



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Eligible Expenses

16) What costs are eligible for reimbursement within the Reimbursement Program?

The Reimbursement Program will reimburse eligible Providers of advanced communications services for costs reasonably incurred for the removal, replacement, and disposal (RRD) of their Huawei and ZTE equipment and services obtained on or before June 30, 2020. RRD costs incurred prior to April 17, 2018 will not be reimbursable. Though reimbursement claims can be submitted for 120 days after the expiration of the RRD term, costs incurred after the expiration of the RRD term are ineligible for reimbursement.

The FCC considers the cost of replacement facilities ‘reasonable’ if the replacement facilities are comparable to those in use by the Provider prior to the RRD of covered communications equipment or service. Consideration of ‘costs reasonably incurred’ may necessarily be decided on a case-by-case basis by the FCC based on information provided as part of the application process.

The FCC recognizes that comparable replacements for older networks may not be available in the marketplace. For example, the FCC has said that replacing older mobile wireless networks with a 4G LTE equipment or service that is 5G ready will be treated as a comparable replacement. For additional information on comparable replacements and the treatment of technology upgrades, see [Third Report & Order](#), FCC 21-86, paras. 86-92.

The FCC has developed a Cost Catalog that contains categories of costs expected to be incurred in the RRD process and provides a detailed list of the core and non-core equipment and services eligible for reimbursement (and their associated predetermined estimated costs). Applicants can rely on the average cost estimates identified in the Cost Catalog when completing their FCC Form 5640 Application Request for Funding Allocation. For costs not covered by the Cost Catalog, or if Applicants want to use a cost estimate that differs from the Cost Catalog, they must instead provide an individualized cost estimate supported by a vendor quote. The Cost Catalog can be found on the [Reimbursement Program website](#). Providers are encouraged to consult the Cost Catalog prior to submitting their application.



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17) What costs are not eligible for reimbursement within the Reimbursement Program?

Technology Upgrades. Reimbursement claims will be reviewed by the Fund Administrator and the Commission for eligibility and reasonableness. The FCC will only issue allocations and disbursements up to the amount of a comparable replacement using a “costs reasonably incurred” standard. Costs incurred above and beyond the reasonable cost of a comparable replacement will be borne by the Participant. Examples of technology changes that the Commission has said are technology upgrades and not comparable replacements are as follows:

- Replacing a microwave backhaul with fiber backhaul or replacing last-mile fixed wireless links with fiber-to-the-premises (FTTP) is considered a technology upgrade
- Replacement of fixed wireless links or RAO networks with fiber

When Reimbursement Program Participants seek to replace eligible covered communications equipment or service with a technology upgrade in excess of the costs of a comparable replacement, they will need to provide price quotes for a comparable replacement with their FCC Form 5640 Application Request for Funding Allocation and may not rely on the cost estimates contained in the Cost Catalog to estimate the cost of a comparable replacement.

Customer Premises Equipment. Separately, the Commission has determined that the replacement of non-Huawei or ZTE mobile handsets and other customer premises equipment, including Internet of Things devices, used by end users to access and utilize advanced communications services are not reasonably necessary to the removal, replacement, and disposal (RRD) of covered communications equipment or service. Accordingly, costs associated with the RRD of non-Huawei or ZTE customer premises equipment are ineligible for reimbursement under the Reimbursement Program. See [Third Report & Order](#), FCC 21-86, para. 94. In addition, the Wireline Competition Bureau has said, citing the Commission’s language in the [Third Report & Order](#), that wired (Wi-Fi) and wireless routers that constitute CPE are not reimbursable under the Program. [Finalized Forms Procedures Public Notice](#), DA 21-947, at 35, para. 100.

18) What is the purpose of submitting cost estimates?

Approved cost estimates will serve as the basis for Reimbursement Program Participants’ allocation determinations as well as a basis for the review of subsequent reimbursement claims. A Participant’s allocation is the amount of funding set aside



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from the Reimbursement Program for the Participant to draw against as costs are incurred. To help the FCC and Fund Administrator determine a Participant's approved estimate amount, Providers must identify in their application both their existing equipment and/or services and the replacement equipment and/or services they intend to purchase or have purchased to complete their removal, replacement, and disposal (RRD) project. Reimbursement Program Participants can only receive funding disbursements for actual costs incurred, that are found reasonable, up to the amount of their funding allocation.

The FCC and Fund Administrator will review each cost estimate for reasonableness and ensure that the cost estimate is supported by either the Cost Catalog or vendor quotes or invoices. If additional information is needed, Participants will receive a Request for Information (RFI) for clarification or additional information via the online portal to the contact(s) on file. In order to provide a timely response to any RFIs, please ensure that the Contact Information provided in the application is up-to-date and accurate.

19) *Are expenses related to financing a line of credit or bridge loan reimbursable?*

There may be instances when a Reimbursement Program Participant began the removal, replacement, or disposal (RRD) process prior to applying for and receiving their funding allocation from the Reimbursement Program and obtained a line of credit or bridge loan to do so. In such instances, the origination fees, commitment fees, and other fees and expenses associated with that loan may be reimbursable up until the time of allocation. These costs will be considered on a case-by-case basis and Participants will need to submit supporting documentation, including a brief cover letter detailing the need for the line of credit or bridge loan, how that funding is being utilized, and demonstrating that reimbursement is being sought only for fees incurred pre-allocation. All such fees incurred after a Participant receives their allocation will carry a presumption of being unreasonable and accordingly, will not be reimbursed.

20) *Are temporary/interim facilities reimbursable?*

Yes, if a Provider requires interim facilities to meet its RRD term or avoid prolonged down-time during the transition, then interim facilities may be reimbursable. Circumstances will be considered on a case-by-case basis.

21) *Is construction of a new tower reimbursable?*

Costs associated with a new tower may be reimbursable and will be considered on a case-by-case basis. If a structural analysis of a tower concludes that the tower cannot



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be reinforced to support a new piece of equipment, the Provider should determine whether there are other options available besides constructing a new tower that will allow it to complete its equipment replacement within its RRD term. Any Reimbursement Program Participant seeking reimbursement for tower construction will be required to submit documentation, such as a statement signed and with the seal of an accredited structural engineer, certifying the results of a tower study, along with their cost estimate to erect the new tower.

22) Can Providers be reimbursed for vendor travel expenses? If so, how should travel expenses for reimbursement be submitted?

Vendor travel expenses (e.g., meals, airfare, mileage) not included in a vendor's rates are eligible for reimbursement provided they are reasonable. All stand-alone travel expenses submitted for reimbursement must be itemized. Consistent with Internal Revenue Service guidelines, Reimbursement Program Participants must also submit receipts for any travel expense greater than \$75.00 and all lodging expenses. As such, please include receipts for travel expenses as an attachment to the particular reimbursement request on the FCC Form 5640 with which the travel expense is associated, in addition to the underlying invoice for the service rendered.

Alternatively, expenses for meals and incidentals can be billed on a per diem basis. The per diem amount should be in accordance with the approved government per diem rates in effect with the work that was performed (available at the [GSA website](#)) for the location where the work was completed. Note that lodging may not be billed on a per diem basis and those expenses must be supported by a receipt or invoice.

23) Can a Provider be reimbursed for the cost of in-house labor?

The cost of the salary of an internal employee for the time he or she works exclusively on tasks directly related to the Participant's RRD project may be reimbursable. Reimbursement Program Participants will be required to submit documentation showing hourly rates, time spent on the RRD project, and other information as detailed in question 27 that will allow the Fund Administrator, and any Program auditors, to substantiate the cost incurred by the Participant.

Note that overhead and ongoing business expenses not directly attributable to the RRD of Huawei and/or ZTE communications equipment or services, that would be incurred regardless of participation in the Program, are not reimbursable. Examples of non-reimbursable overhead costs include general business operations, administrative,



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accounting, rent, utilities, insurance, normal system maintenance, etc. For instance, if an employee was hired specifically to manage Reimbursement Program compliance, their salary and benefits may be reimbursable, but only that portion of the salary (i.e., hours) directly related to the Program - hours working on general business operations not related to the Program will not be reimbursable.

Providers are not permitted to sell services to themselves and employees are not permitted to sell consulting services to the Provider.

24) What does the Project Management Category in the Cost Catalog Cover for purposes of cost estimates?

Providers may consider project management services to include both 'reimbursement-related' project management services (e.g., FCC Form 5640 planning, preparation and filing support, invoice processing, documentation collection and completion) and 'in-the-field' technical project management services (i.e., vendor turnkey or bundled, technical management of on-site equipment removal, replacement, and disposal projects). For purposes of estimating cost using the Cost Catalog, the Project Management categories (in particular 5.7.1 and 5.7.3) are only applicable to estimating cost for 'in-the-field' technical project management services.

'Reimbursement-related' project management services (e.g., FCC Form 5640 planning, preparation and filing support, invoice processing, documentation collection and completion) are not included in the Cost Catalog and should, therefore, be entered by indicating that the cost estimate average is not included in the Cost Catalog and providing the estimated costs and required supporting documentation. Estimates will be reviewed for reasonableness based on the description of services provided relative to the total cost and technical aspects of the project; consideration of the timing of the Participant's removal, replacement, and disposal project; and consideration of the appropriateness of the rate provided given the type of work described.

The rates for 'Reimbursement-related' project management services are anticipated to be lower than those included in the Cost Catalog, which are intended to apply to 'in-the-field' technical project management services.



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Cost Estimates

25) *How often can Providers revise cost estimate(s)?*

During the filing window, Applicants may revise their cost estimates as many times as needed. Once their application has been submitted and while it is being reviewed, i.e., prior to being deemed eligible and receiving notification of their allocation, Applicants cannot amend their cost estimates unless (1) specifically asked to revise their estimate in response to a RFI from the Reimbursement Program Fund Administrator or (2) the Applicant has notified the Reimbursement Program Fund Administrator of its intent to amend its application and has contacted the Fund Administrator Help Desk via email or phone. As a general matter, amendments to an FCC Form 5640 Application Request for Funding Allocation that would result in an increase to the total cost estimate will be denied. Post-allocation throughout the reimbursement process, Reimbursement Program Participants must revise their cost estimate if either a) costs are not fully supported by a vendor quote or b) a vendor's quoted cost has changed. Updated, current vendor quotes must be filed with the Commission prior to submitting a reimbursement claim associated with the vendor or supplier.

26) *Can Providers include contingency amounts to their estimates?*

No, contingency amounts will not be accepted as part of an Applicant's cost estimate submission. Post allocation issuance, Reimbursement Program Participants can revise their cost estimates, through a modification filing if they learn of additional expenses or higher costs than those previously entered.

27) *If a cost estimate has been approved during the estimate review phase, will all invoices associated with that cost estimate also be considered reimbursable?*

During the estimate review phase, the FCC and Fund Administrator will conduct a detailed review of all estimates submitted, requesting further information if needed. Invoice submissions will undergo a separate thorough review process even if the cost estimate has already been approved.

When a Reimbursement Program Participant later submits a Reimbursement Claim Request for an expense that was approved during the cost estimate review phase, that submission will be reviewed for sufficiency of documentation (e.g., a valid vendor invoice) and consideration of whether the Participant has made any changes in its transition plan as indicated through other submissions or cost estimate modifications.



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If the actual cost of the equipment or service has increased above what the Participant estimated, or the Participant purchases equipment or services that are different from what it reported when submitting its cost estimates, the Participant will be asked to revise and resubmit its estimate to reflect the updated understanding of expenses. The FCC and Fund Administrator will review this documentation and recommend payment for those revised expenses deemed reasonable. Funding allocations will not be adjusted once issued, and Participants will only be reimbursed for reasonable expenses actually incurred up to the amount of the allocation even if their plans change or actual costs exceed the amount of the funding allocation.

28) *What documentation is required when submitting cost estimates for in-house labor?*

If an Applicant intends to use in-house labor to perform tasks related to the Reimbursement Program, they may be eligible for reimbursement if adequately supported. All internal labor costs that an Applicant expects to incur in conjunction with the Program and for which it intends to seek reimbursement must be included in its cost estimate. When filing cost estimates not based on the Cost Catalog, internal labor costs should be estimated on a per hour basis for each Program-related task, providing both an estimate of labor hours to be incurred for each Program-related task and the internal labor rate to be used. The cost estimate for each task will equal the estimate of the total hours per task multiplied by the per hour internal labor rate, which may include salary and benefits. As with all cost estimates, Applicants must certify that the estimates are made in good faith.

If an Applicant's cost estimate includes internal labor costs, it should upload the following supporting documentation to its estimate:

- A listing of the tasks it expects to perform during the Program, including the estimated hours per task, the internal labor rate to be applied, and the total dollar amount for the task
- A breakdown of how each internal labor rate is calculated, showing the salary and benefits

In its review and assignment of an allocation, the FCC and Fund Administrator will exercise its discretion in determining the reasonableness of hours and/or labor rates. Applicants should anticipate and be prepared to provide justification if additional information is requested as to why the total labor amount entered is above that listed in



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the Cost Catalog. During the reimbursement period or at account closing, the FCC and/or Fund Administrator may request additional supporting information for internal labor costs, such as payroll, human resources, or financial records.

Reimbursement & Payment Process

29) When and how can Providers submit reimbursement claims for actual costs incurred?

Reimbursement Program Participants can submit Reimbursement Claim Requests after they have incurred expenses and received their funding allocation as part of the application process. Participants submit reimbursement claims via the online portal using FCC Form 5640 Reimbursement Claim Request and will need to include supporting invoices and other cost documentation with the submission. Detailed guidance will be provided on how to submit Reimbursement Claim Requests via the online portal.

Participants can submit multiple Reimbursement Claim Requests via the online portal as they incur expenses throughout the reimbursement period. Participants are required to link actual costs incurred and the supporting invoice documentation to their itemized cost estimates. Participants must submit invoices through the online portal as attachments to their Reimbursement Claim Request.

Participants must file at least one Reimbursement Claim Request within one year of when the Commission approves the Provider's Application Request for Funding Allocation or the allocation will revert back to the Commission. Participants have one year from the initial disbursement of funds to complete the permanent RRD term of covered communications equipment or services unless and until they request and receive a term extension from the FCC. Participants can not submit Reimbursement Claim Requests for costs incurred after the end of their RRD term.

30) What standard will be applied to determine whether a cost is reimbursable?

The FCC uses a "costs reasonably incurred" standard when determining whether a cost is reimbursable. This standard focuses on whether the cost is reasonably incurred for the removal, replacement, and disposal of Huawei/ZTE equipment and services. In evaluating the replacement, the Commission focuses on reasonable costs for a comparable replacement. For an additional discussion on the difference between a comparable replacement and a technology upgrade for purposes of the Reimbursement Program, see *Third R&O*, FCC 21-86, paras. 86-92.



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A Participant's request for payment will be evaluated by the Fund Administrator and the FCC based on information provided by the Participant in their FCC Form 5640 Reimbursement Claim Request filing. To determine whether the expense was 'reasonably incurred', they will consider whether the cost is typically incurred when transitioning from covered communications equipment and services to a replacement, the costs in relation to alternative equipment and services, and the capabilities and functions performed by the replacement equipment and services as compared to the equipment and services removed. The Fund Administrator and the FCC will use comparison to the price ranges in the Cost Catalog, review of supporting invoice documentation provided, comparison to similar RRD project requests, and consideration of any additional justification or explanation submitted by the Participant. The approval process is designed to ensure reasonably incurred expenses are paid while at the same time guarding against waste, fraud, and abuse associated with the disbursement of federal funding. The FCC developed the Cost Catalog, with the input of industry stakeholders, to provide guidance on a range of market prices for expenses that Participants may incur as they replace Huawei and/or ZTE equipment or services.

31) *What supporting detail is required for reimbursement of expenses?*

Before submitting a Reimbursement Claim Request, Participants will need to provide a vendor or supplier quote associated with the invoice in the Reimbursement Claim Request. Participants will be required to link actual costs incurred and the supporting invoice documentation to their itemized cost estimates.

Supporting documentation of the expense incurred must include a valid invoice (including vendor name, date issued, description of contents, etc.), receipt, or other form of documentation that explains the nature and cost of the expense.

Note: The Cost Catalog may not be used as documentation of an incurred expense. The Cost Catalog may only be used to support estimated costs and the Program only reimburses for actual costs reasonably incurred.

Specifically, invoices submitted by Participants for reimbursement must include the following information:

- Name of the vendor providing the service or equipment
- Invoice number (assigned by the vendor)
- Invoice date



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- Payment due date
- Employer Identification Number (EIN) or Taxpayer Identification Number (TIN) of the vendor
- Description of the service provided, or equipment purchased
- Explanation of why expense is reimbursable under Program guidelines (which may be included in a cover letter)
- Total Invoice amount
- Name of the Provider and FRN, or name of the Provider incurring the expense
- If costs are associated with a specific site location, include location name/number

32) Do Providers need to revise cost estimates if the actual cost exceeds the previously verified amount?

Yes. Reimbursement Program Participants will be required to submit a revised cost estimate, by filing a modification application, and provide the rationale for increased costs before a claim in excess of a previously verified amount, at the line item level, will be considered. Participants will be notified via the online portal by the FCC and Fund Administrator through a RFI if a revision is required. Reimbursement will not be made in excess of a Participants available allocation amount. Claims exceeding the available allocation may be submitted as a Reimbursement Claim Request but will not be reviewed for reasonableness or forwarded for payment until, and if, a subsequent allocation is made by the Commission. If a subsequent allocation is not issued by the Commission, then those pending Reimbursement Claim Requests seeking disbursements in excess of the Participant's allocation amount will be denied. Participants may also be asked to provide details on the variance and rationale for increased costs.

33) If an element of the verified cost estimate was based on the Cost Catalog price, does the Provider need to submit a copy of the vendor quote before requesting reimbursement?

Yes, Reimbursement Program Participants must submit a copy of the vendor quote, by filing a modification application, before filing a Reimbursement Claim Request for any claims for which the estimated costs were based on the Cost Catalog.



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34) *What documentation is required when seeking reimbursement for invoices for in-house labor?*

For internal labor costs to be reimbursable, they must be entirely related to the Participant's RRD project (e.g., the costs would not have been incurred 'but for' the Reimbursement Program). When seeking reimbursement for internal labor, Participants must provide details on a per hour basis for each Program-related task, providing the labor hours incurred for each Program-related task, the internal labor rate used and a total cost. The total cost for each task should therefore equal the total hours per task multiplied by the per hour internal labor rate. Internal labor rates may include salary and benefits.

Specifically, when submitting a reimbursement claim for internal labor, a Participant should provide the following documents (in place of an invoice from a third-party vendor):

- A report detailing the employee name, the employee hourly/labor rates, a description of the work performed for each Program-related task, the number of hours worked, the date(s) of hours worked, and the resulting dollar cost. This report should include an invoice number, invoice date, vendor name (name of the Provider) and vendor EIN/TIN.
- Copies of employee timesheets or paystubs (or Internal Revenue Service Form W-2 or Wage and Tax Statements) showing hours worked on each Program-related task, each day. Timesheet hours must match the totals reported by the task above. Timesheets may come from either the Provider's time and expense reporting systems or can be manually prepared using spreadsheets or other means.

In its review, the FCC and Fund Administrator will exercise its discretion in determining the reasonableness of hours and/or labor rates. Participants should anticipate and be prepared to provide justification if additional information is requested as to why the total labor amount entered is above that listed in the Cost Catalog.

35) *Do professional services need to be performed prior to being submitted for reimbursement?*

Reimbursement Program Participants can only seek reimbursement for costs actually incurred. Professional services refer to different types of activities such as legal services, engineering professional services and project management. Project management can include both reimbursement-related project management services (e.g., FCC Form 5640



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planning, preparation and filing support, invoice processing, documentation collection and completion) and 'in-the-field' technical project management services (i.e., vendor turnkey or bundled, technical management of on-site equipment removal, replacement, and disposal projects). All professional services, excluding 'in-the-field' project management services, must be completed before the associated cost is submitted for reimbursement.

Please refer to the Cost Catalog for a detailed list of the professional services eligible for reimbursement. For purposes of estimating cost using the Cost Catalog for the initial funding allocation request, Project Management (in particular 5.7.1 and 5.7.3) is limited to estimated costs for 'in-the-field' technical project management services.

36) *What supporting detail is required for reimbursement of professional services?*

All requests for reimbursement for professional services must be accompanied by a supporting vendor invoice.

- Time and Material Billing – All professional services (e.g., legal work and reimbursement-related project management services) excluding engineering professional services or 'in-the-field' technical project management, must be billed as time and materials and not as a fixed fee. For services performed on a 'time and materials' basis, the invoice must identify the individual(s) who completed the work, specify the hours and dates worked by the individual(s), the associated rate(s) per hour, and a detailed description of each activity performed by each person. Invoices will be reviewed for reasonableness based on description of services provided relative to the total cost and technical aspects of the project; consideration of the timing of the Participant's removal, replacement, and disposal project; and consideration of the rate of the individual(s) relative to the type of work performed. For example, invoices covering a variety of legal services and which also include 'reimbursement-related' services (e.g., FCC Form 5640 planning, preparation and filing support, invoice processing, documentation collection and completion) should demonstrate a difference in the rate charged by lawyers performing legal services and other professionals performing FCC Form 5640 planning, preparation and filing support.
- Fixed Fee Billing – Specific engineering professional services that result in work products or deliverables (e.g., system design, vendor selection, technical bid support, and subcontractor retention and management) may be billed to a Provider



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as a fixed fee. For professional services billed as fixed fee, the Participant must submit a copy of the vendor invoice and quote that provides a cost and activity 'build-up' to support the expense. Fixed fee invoices must specify the time period covered by the invoice, a description of the services rendered, and the amount due.

37) *When will Providers receive reimbursement payments?*

Providers that are deemed eligible and receive a funding allocation can begin to submit invoices for reimbursement as soon as they receive their allocation. Reimbursement Claim Requests will be reviewed by the Fund Administrator and approved by the FCC. Approved claims will be forwarded to the U.S. Treasury for disbursement. Reimbursement Program Participants will receive reimbursement via Automated Clearing House payments from the U.S. Treasury into the bank account they identify via the DUNS number on file.

There are many variables that affect the timing of receipt of payments, including documentation provided and any additional documentation that may be requested. Participants can facilitate timely processing of requests by ensuring the accuracy of all information entered in their application, attaching any explanatory and/or documentary materials needed to justify an expense, and responding timely to any requests for information from the Fund Administrator. The Participant also must have a registered DUNS number so approved payments can be transferred to the Providers bank account.

38) *How does a Provider submit bank account information to receive payment(s)?*

Applicants must register in SAM.gov using the DUNS number submitted in its FCC Form 5640 Application Request for Funding Allocation in order to be eligible to receive payments from the U.S. Treasury.

Applicants that do not already have a DUNS number and Commercial and Government Entity (CAGE) code are encouraged to register for these identifiers early, as they may take some time to obtain. Applicants can refer to The [Dun & Bradstreet website](#) for more information on obtaining a DUNS number. The [Defense Logistics Agency CAGE portal](#) has more information on obtaining a CAGE code. The [SAM.Gov Entity Registration Status Tracker](#) also has additional resources regarding the registration process.



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When registering the DUNS in SAM.Gov, Applicants will need to ensure that the Taxpayer Identification Number (TIN) that they input matches the TIN associated with their FCC Registration Number (FRN) in CORES.

39) Must invoices be paid in full prior to submitting them for reimbursement?

No. Reimbursement can be made based on a cost incurred as evidenced by a valid invoice. Participants do not need to pay an invoice before submitting it for reimbursement. The invoice must show that a valid payment is owed and due on a particular date. All invoices must contain a payment due date in addition to the other metadata requested in the FCC Form 5640.

Many reimbursable expenses will be billed and owed in installments. Participants can submit invoices and other cost documentation as payment of each installment is requested by the vendor. The online portal permits Participants to specify the portion of the invoice – by percentage or dollar amount – for which they are requesting reimbursement. For example, if 10% of the total amount of the sales order is reflected on the invoice with a specific date due, the FCC Form 5640 Reimbursement Claim Request allows Participants to request reimbursement for only that 10% that is due, and to return to the expense to add further cost documentation to the same line item when additional installments become due. Participants can add subsequent invoices to the expense line item at a later date.

40) What happens if Providers don't use all money disbursed for the equipment or services included in a reimbursement claim?

Reimbursed amounts that are either unused, returned to a vendor, or subsequently found to be ineligible based on supplemental information must be returned to the FCC.