

Pre-Award Expenses Guidance

Version 1, as of 11/20/2025

Pre-Award expenses are those costs incurred prior to the start date of the grant award which are necessary for the efficient and timely performance of the scope of work. The BEAD-funded Connect Illinois Round 4 program allows for the inclusion of pre-award expenses as part of the overall project budget.

IOB Guidance

- The IOB may allow Grantees to claim reimbursement for pre-award costs in certain circumstances in accordance with 2 CFR 200.458.
- Pre-Award costs are those incurred before the start date of the grant directly pursuant to the negotiation of and in anticipation of the grant.
- The IOB may allow Grantees to charge these costs by providing its written approval, and only if the costs would have been allowed if incurred after the start date of the grant and are necessary for efficient and timely performance of the project. Per NTIA guidance, Grantees will be required to explain why costs were necessary and could not have been completed during the period of performance.
- Provisionally selected Grantees should understand that any pre-award costs are incurred at the risk of the grantee and subject to NTIA approval of the relevant Final Proposal. While NTIA expects to approve Final Proposals that are implemented consistent with the State's approved Initial Proposal, NTIA will not authorize payment for any costs for any provisional subgrants not approved in a Final Proposal.
- The following are specifically allowed pre-award expenses (see BEAD General Terms and Conditions - Section 13, E – Limited Permissible Pre-Implementation Activities):
 - Pre-construction planning, including collecting information necessary to complete environmental reviews;
 - Applications for environmental permits;
 - Studies including, but not limited to, Environmental Assessments (EA), wetland delineations, biological assessments, archaeological surveys, and other environmental reviews and analyses;
 - Administrative costs;
 - Pre-award application costs;
 - Activities supporting consultations required under the NHPA, the Endangered Species Act, and the Clean Water Act; and/or
 - Limited, preliminary procurement, including the purchase or lease of equipment, or entering into binding contracts to do so; the purchase of applicable or conditional insurance; and/or funds used to secure land or building leases (including right-of-way easements and pole attachments).



IOB Instructions

- The Grantee may request inclusion of pre-award costs by providing a letter to the IOB, as an addendum to the project budget(s). The letter should provide the amount of pre-award expenses, broken down by budget category, along with a short narrative describing why the costs are necessary and could not have been completed during the period of performance.
- Following IOB receipt of Final Proposal approval from NTIA and once the grant agreement execution process has commenced between IOB and the Grantee, IOB will review and approve pre-award expenses, along with the budget.

Applicable NTIA Guidance

- Guide to Code of Federal Regulations pertaining to BEAD [2 CFR 200.458](#).
- Bead terms and conditions [BEAD General Terms and Conditions - Section 13, E – Limited Permissible Pre-Implementation Activities \(April 2024\)](#)
- Best Practices for BEAD guidance document [BEAD Acceleration Best Practices \(August 2025\)](#)