

What Good Looks Like – Pre-Award Expenses Letter

Version 1, as of July 2026

Purpose of ‘What Good Looks Like’ Guides

This guide is intended to assist grantees in understanding document requirements and preparing complete, review-ready submissions. It includes practical considerations and illustrative examples of the submission.

Note: What Good Looks Like Guides do not replace Illinois Office of Broadband (IOB) guidance documents, templates or other formal program requirements; grantees may use these guides as practical aids alongside the formal requirements.

About Pre-Award Expenses Letter:

The Broadband Equity, Access, and Deployment (BEAD) Program allows grantees to submit a letter requesting the inclusion of pre-award expenses as part of the overall budget. Pre-award expenses are defined as expenses that: were incurred before the start date of the grant, would have been allowed if incurred during the period of performance, and are necessary for the efficient and timely performance of the project. Guidance documents and templates for this submission are available on IOB’s BEAD Grantee Resource Hub.

This document contains:

- [Document Acceptance Criteria](#)
- [Best Practices/Tips](#)
- [Common Mistakes](#)
- [Example of What Good Looks Like](#)



Document Acceptance Criteria

The pre-award expense letter must comply with the [Pre-Award Expenses Guidance Document](#) and include the following:

- Fully populated IOB-required template (where all highlighted fields are filled in)
- Grantee letterhead (including grantee name, address, contact information and logo)
- Date, grant number (if it has been issued by the IOB), and BOTB-ID
- Total pre-award expenses (\$) for each budget category, listed in the budget table in the template
- A description for Miscellaneous, if any expenses are included in the “Miscellaneous” budget category
- Rationale for why each expense was necessary before the grant period, as it relates to the project’s scope of work
- Signature of the Authorized Signatory/Designee, along with a printed name

Characteristics of an acceptable document:

For dollar amounts listed in the pre-award expenses table:

- Pre-award expenses by budget category should be less than or equal to each budget category amount in the grantee’s project budget
- Budget category amounts should sum to the total listed at the bottom of the table

For pre-award expense types: The types of pre-award expenses allowed should align to one or more of the Limited Permissible Pre-Implementation Activities included in the guidance document, which include:

- Pre-construction planning
 - Network design/engineering
 - Environmental and historical preservation (EHP) reviews, studies, consultations, and document preparation for NEPA
- Applications for permits
 - Federal, State, Local
 - Environmental
- Administrative costs directly related to the BEAD-funded project
- Pre-award application expenses
- Procurement of equipment and materials necessary to deploy broadband infrastructure
 - This includes but is not limited to:
 - Lease of equipment, or entering into binding contracts to do so
 - The purchase of applicable or conditional insurance
 - Funds used to secure land or building leases (including right-of-way easements and pole attachments)
- For expenses in the Miscellaneous category: The budget category explanation should align with descriptions in the project budget on the “Project Cost Details” tab.
- For rationale: The explanation(s) for inclusion of pre-award expenses are in accordance with IOB guidance and comprehensive of all expenses listed.

Best Practices/Tips

Considerations for grantees to help prepare complete, review-ready submissions and maintain appropriate supporting documentation:

- Identify all expenses incurred prior to the grant agreement execution. This will be the only chance the grantee has to include these costs in the project.
- Confirm these types of expenses are eligible for inclusion, comparing against the [IOB Pre-Award Expenses Guidance Document](#).
- Ensure the amount of pre-award expenses included in each budget category does not exceed the budgeted amount of that category in the grantee's project budget.
- For grantees with multiple projects requiring a pre-award expense letter, share the first letter with IOB as a sample to seek feedback before completing the rest.
- Retain invoices, proof of payment, and other supporting documentation as costs are incurred. These may be requested as part of the IOB or NTIA monitoring process.

Common Mistakes

Some examples of typical mistakes that lead to rework, delayed acceptance, or other issues:

- For grantees with multiple projects, costs are allocated to the wrong project.
- Letter does not include all pre-award expenses incurred.
- Rationale provided for pre-award expenses does not include why the expense had to be incurred prior to the period of performance and/or does not cover all expenses.
- Supporting documentation for potential monitoring is not retained for at least three years after the end of the Federal Interest Period. (The Federal Interest Period is defined as lasting 10 years from the end of the grantee's period of performance. The period of performance is defined as the end of grant term.)

Example

The document below illustrates what a complete pre-award expenses request letter may look like. Required information is highlighted in yellow.



GENERIC BROADBAND SOLUTIONS
Connecting Homes. Empowering Businesses.

123 Connectivity Avenue
Chicago, IL 60601
Phone: (800) 555-0123
Email: support@genericbroadband.com
Website: www.genericbroadband.com

May 22, 2026

Tim Laffey
Illinois Office of Broadband
1011 South 2nd Street
Springfield, IL 62704

Re: **Request for Inclusion of Pre-Award Expenses**

Grant Number: 26-444001
BOTB-ID: BOTB-0123

Dear Mr. Laffey,

This letter is to request the inclusion of Pre-Award Expenses in our budget for the above referenced project. The requested Pre-Award Expenses are outlined by budget category in the table below. I understand that Pre-Award Expenses are allowed for this grant to the extent they are in accordance with 2 CFR 200.458, as well as [guidance](#) published by the NTIA and the Illinois Office of Broadband (IOB).

Summary of Pre-Award Expenses Requested:

Budget Category	Pre-Award Expenses	Types of Pre-Award Expenses Allowed (as defined in IOB guidance ; Please list all that apply)
Design/Engineering	\$ 20,000.00	Pre-construction planning
Infrastructure Acquisition	\$ 0	
Network Equipment	\$ 0	
Management: Planning / Project Management	\$ 0	
Construction: Network Deployment (equipment and materials purchase only)	\$ 50,000.00	Procurement of materials
Permitting	\$ 20,000.00	Applications for permits
Miscellaneous (application expenses directly related to the BEAD grant proposal)	\$ 10,000.00	Pre-award application expenses
Total Pre-Award Expenses	\$ 100,000.00	