

NJ BEAD Monitoring Plan

As of August 22, 2025

DRAFT

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This Monitoring Plan is a preliminary version developed by the New Jersey Office of Broadband Connectivity (OBC) in accordance with available NTIA guidance as of July 24, 2025, including the Broadband Equity, Access, and Deployment (BEAD) Notice of Funding Opportunity (NOFO), the June 6, 2025 BEAD Program Restructuring Policy Notice (PN), and relevant provisions of the Uniform Administrative Requirements (2 CFR Part 200), and OBC's Initial Proposal Volume 2 (IPV2).

Disclaimer: *This Monitoring Plan is intended to fulfill BEAD program requirements under current NTIA guidance and is subject to revision based on future federal directives, policy clarifications, and the release of NTIA's forthcoming detailed monitoring guidance. It builds upon the monitoring approach described in OBC's IPV2 and may be updated to ensure full alignment with evolving administrative requirements and programmatic expectations.*

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OBC's Oversight Framework for ensuring Subgrantee Accountability

OBC will implement a structured and risk-informed oversight framework to ensure subgrantee accountability and performance throughout the period of performance. This framework aligns with Section IV.C.1.v of the BEAD NOFO, which requires recipients to establish oversight mechanisms for subgrantees, and incorporates subsequent federal guidance from Uniform Guidance (2 CFR § 200.332), and the June 6, 2025, BEAD RPN, which removed nondeployment activities from the Final Proposal. This framework reflects the updated scope of monitoring required under the restructured BEAD program.

Key components of the framework include:

- Use of risk tiers to calibrate monitoring frequency and intensity, consistent with 2 CFR §200.332(c), which directs pass-through entities to evaluate each subrecipient's risk of noncompliance.
- Timely reporting requirements from all subgrantees, in alignment with BEAD NOFO Section IV.C.1.b, and OBC's [Initial Proposal Volume 2 \(IPV2\)](#), which requires Eligible Entities to mandate timely subgrantee reporting and establish robust accountability practices. OBC will require quarterly reporting to fulfill this obligation and promote consistent oversight.
- Reimbursement-based or fixed-amount payment structures, consistent with 2 CFR § 200.201, which authorizes both approaches for subawards depending on project scope, risk, and performance terms.
- Ongoing review of performance metrics, milestones, and expenditures, in alignment with BEAD NOFO Section IV.C.1.b, OBC's IPV2, which requires robust subgrantee monitoring practices and timely reporting, and as reinforced by the June 2025 BEAD Restructuring Policy Notice's emphasis on performance-based accountability.
- Corrective action protocols and escalation procedures, consistent with 2 CFR §200.339, and OBC's IPV2, which outlines conditions for remedies for noncompliance.

Monitoring activities are designed to be both supportive and compliant, ensuring program integrity while helping subgrantees succeed, consistent with the collaborative oversight model outlined in OBC's Initial Proposal Volume 2. Each subgrantee's responsibilities and performance expectations are anchored in their executed grant agreement, which incorporates federal compliance requirements from the BEAD NOFO, the Infrastructure Investment and Jobs Act (IIJA), and the Uniform Guidance.

In accordance with 2 CFR § 200.332, OBC will monitor subawards based on an assessment of each subgrantee's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward. Prior to implementation, each subgrantee will be categorized into one of three risk tiers (low, medium, or high) based on OBC's pre-award risk assessment and historical performance. Monitoring intensity will be calibrated accordingly: higher-risk subgrantees will be

subject to more frequent reviews, enhanced documentation requirements, and tailored oversight activities.

This approach aligns with the BEAD NOFO's directive that Eligible Entities must evaluate each prospective subgrantee's financial, managerial, technical, operational, and legal capacity prior to subaward execution and continue to ensure ongoing compliance throughout the project lifecycle. Subgrantees are expected to submit and maintain documentation, such as letters of credit, audited financials, pro forma sustainability analyses, and compliance certifications consistent with federal and state program requirements.

Pre-Award Risk Assessment

As required by 2 CFR § 200.332(b) and reinforced by the BEAD NOFO (Section IV.D), prior to awarding funds, OBC will conduct a structured risk assessment of all prospective subgrantees. This approach is also described in OBC's IPV2 and will inform the structure and frequency of subsequent monitoring activities. This assessment will evaluate:

- Financial management capacity;
- Technical capabilities;
- Past performance on federal or state grants;
- Internal controls and staffing.

Based on this evaluation, subgrantees will be assigned a risk level (low, medium, or high). Risk levels will influence monitoring intensity, the required frequency of monitoring reports, and the need for additional documentation or technical assistance. The results of each risk assessment will be reflected in the subaward agreement. Subgrantees deemed high-risk may be subject to enhanced reporting, more frequent site visits, or other oversight mechanisms.

OBC will tailor its risk assessment and monitoring protocols based on the type of subgrantee and the scope of the project. For example, private providers and municipal broadband applicants may present different operational risks than community anchor institutions (CAIs) or educational entities, provided such CAIs meet the IJA's statutory definition. As clarified in the June 6, 2025 PN, NTIA has rescinded the broader definition of CAIs from the original NOFO, and will narrowly interpret eligible entities under this category. Award size, past experience, and internal control maturity will factor into the overall risk tier assignment.

Monitoring Activities and Frequency

As required under 2 CFR § 200.332(d-f) and the BEAD NOFO (Sections IV.C. and IV.D), and as described in OBC's IPV2, OBC will conduct ongoing monitoring of subgrantees to ensure compliance with all applicable federal, state, and programmatic requirements. The frequency of

monitoring, including reporting and invoice submission, will be determined based on the risk assessment performed by OBC, as stated in the IPV2. Monitoring will include a mix of desk reviews, performance reviews, and site visits. These activities will be conducted on a semiannual basis at a minimum, with increased frequency for higher-risk subgrantees or in response to identified issues. Monitoring activities will include:

- Communication tracking to document ongoing subgrantee coordination and technical assistance needs;
- Internal compliance reviews to assess adherence to fiscal and project management procedures, consistent with 2 CFR Part 200.
- Verification of progress toward key milestones and project schedules;
- Review of financial documentation to confirm compliance with budget and reimbursement guidelines;
- Evaluation of quarterly and semiannual performance reports;
- Site inspections to verify infrastructure deployment;
- Compliance checks with environmental, labor, and procurement requirements;
- Review of Environmental and Historic Preservation (EHP) documentation to ensure federal compliance prior to construction-related activities;
- Confirmation that federal funds are expended within the period of performance.

OBC will also ensure subgrantees adhere to terms and conditions defined in the BEAD NOFO, the Infrastructure Investment and Jobs Act (IIJA), the June 2025 Restructuring Policy Notice, and any associated award agreements. Per NTIA's June 6, 2025 PN,, this monitoring framework applies exclusively to deployment projects funded through the BEAD program. OBC will monitor only those activities that remain eligible under the restructured program, with non-deployment activities (e.g., digital literacy training, workforce development, etc.) no longer subject to BEAD oversight unless explicitly authorized under updated federal guidance.

OBC will develop individualized monitoring plans for each subgrantee, based on their assigned risk level, as described in OBC's Initial Proposal Volume 2. While monitoring protocols will remain flexible and proportional to project scope and complexity ,all subgrantees will be held to consistent core accountability standards.

Subgrantee Communication and Technical Assistance

In accordance with 2 CFR § 200.332(e), and as described in OBC's Initial Proposal Volume 2, OBC will maintain regular, proactive communication with subgrantees to ensure early identification and resolution of compliance or performance issues. Monitoring will be conducted in a collaborative and capacity-building manner, aligning with the BEAD NOFO's emphasis on program integrity and successful subgrantee execution.

Technical assistance offerings may include:

- Webinars and training on BEAD reporting and compliance requirements;
- One-on-one technical assistance sessions for high-risk or underperforming subgrantees;
- Clarifying guidance on NTIA regulations, audit expectations, and eligible expenditures.

All communications will be documented and tied to the subgrantee's monitoring record, consistent with 2 CFR § 200.334 requirements on record retention and accountability. As noted in OBC's Initial Proposal Volume 2, frequent communication with subgrantees will be used to assess progress, surface technical assistance needs, and document challenges. OBC views monitoring as a cooperative process between the State and its subgrantees. Open dialogue and mutual responsiveness will be encouraged to ensure that issues are addressed constructively and that subgrantees have the support necessary to meet federal and programmatic goals.

Corrective Action and Compliance Oversight

In accordance with 2 CFR § 200.339, 2 CFR § 200.208, and OBC's Initial Proposal Volume 2, OBC will initiate a Performance Improvement Plan (PIP) when a subgrantee fails to meet programmatic, financial, or compliance obligations. PIPs serve as structured, time-bound remediation tools to support subgrantee recovery and preserve the integrity of BEAD-funded projects.

OBC's use of PIPs is intended to be constructive and capacity-building. Each PIP will include targeted technical assistance where applicable, to help subgrantees strengthen internal controls and improve future performance. Each PIP will:

- Identify the specific noncompliance or deficiency;
- Define clear resolution steps and timelines;
- Outline documentation required for remediation;
- Establish consequences for failure to comply (e.g., withholding of funds, suspension, or potential termination), consistent with the enforcement provisions in 2 CFR § 200.339.

OBC will monitor PIPs closely through scheduled follow-ups and additional oversight activities. Subgrantees will receive guidance and tailored support throughout the process to promote timely resolution and sustained compliance. As stated in OBC's Initial Proposal Volume 2, PIPs will trigger significantly greater oversight and documentation to help ensure corrective actions are implemented effectively.

Closeout and Final Review

At the conclusion of each subaward, OBC will conduct a formal closeout review in accordance with 2 CFR § 200.344 to ensure that all contractual and regulatory requirements have been satisfied. As described in OBC's IPV2, the closeout process will serve as the final stage of subrecipient monitoring and will include:

- Verification that all project deliverables, milestones and obligations were met;
- Review of final technical and financial reports;
- Confirmation that all documentation related to project performance and financial obligations has been received from the subgrantee;
- Reconciliation of reimbursed costs and resolution of any outstanding issues or disallowed costs;
- Confirmation that the subgrantee will retain all relevant records for at least three years after final payment, in compliance with 2 CFR § 200.334 and § 200.344.

Final payments will be issued only after successful completion of the closeout review. If outstanding issues remain, OBC may delay closeout or initiate additional oversight actions consistent with federal grant protocols.

Documentation and Continuous Improvement

OBC will maintain thorough documentation of all monitoring activities, subgrantee communications, findings, and resolutions, in accordance with 2 CFR § 200.334, which requires non-Federal entities to retain financial and programmatic records for a period of at least three years. As described in OBC's IPV2, this documentation includes site visit logs, quarterly reports, invoice reviews, risk assessments, and PIPs developed under the corrective action framework.

To ensure audit readiness, traceability, and consistent oversight across the BEAD portfolio, OBC utilizes a centralized monitoring system to house subgrantee records, milestone documentation, reporting submissions, and compliance findings. This approach reflects the internal control expectations of 2 CFR § 200.303, which requires recipients to safeguard public funds through sound administrative systems.

To continuously improve its monitoring protocols and adapt to evolving federal guidance, OBC will:

- Conduct internal reviews of monitoring activities annually;
- Solicit feedback from subgrantees, NTIA program auditors as appropriate;
- Update internal procedures, training materials, and oversight tools;
- Integrate lessons learned from prior risk assessments, PIPs, CAPs, and emerging compliance trends.

This continuous improvement model helps ensure that OBC's monitoring framework remains proactive, efficient, and aligned with both state and federal oversight expectations.