



# **Comprehensive Community Infrastructure** **Budget Narrative Template**

**Applicant Name: Citizens' Telephone Co-operative**

**EasyGrants Number: 6848**

**Organization Type: Cooperative**

**Proposed Period of Performance: 3 Years**

**Total Project Costs: \$ 11,560,803.00**

**Total Federal Grant Request: \$ 9,237,760.00**

**Total Matching Funds (Cash): \$ 1,831,304.00**

**Total Matching Funds (In-Kind): \$ 491,739.00**

**Total Matching Funds (Cash + In-Kind): \$ 2,323,043.00**

**Total Matching Funds (Cash + In-Kind) as Percentage of Total Project Costs: % 20.09**

---

## **1. Administrative and legal expenses - \$xxx**

**- Provide a breakout of position(s), time commitment(s) such as hours or level-of-effort, and salary information/rates with a detailed explanation, and additional information as needed.**

Helpful Tip: Describe the line-items in a manner in which someone that is not familiar with your application would understand how each line-item was calculated. Provide as much detail as possible for each line-item and each line-item should tie back to a budget category as labeled in Column I of the Detailed Project Costs worksheet in the Detailed Budget upload, etc. throughout the remainder of the Budget Narrative. See example at end of this template.

**- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.**

Cash Source 1...

Cash Source 2... etc. throughout the remainder of the Budget Narrative.

**- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.**



In-Kind Source 1..., etc. throughout the remainder of the Budget Narrative.

In-Kind Source 2..., etc. throughout all budget categories.

**2. Land, structure, rights-of-way, appraisals, etc. - \$160,000.00**

**- Estimated costs are based on historical data from similar fiber builds.**

**Pre-Fab Huts**

**\$50,000** of this category is estimated for 2 Pre-Fab Huts at a cost of \$25,000 each

**Other**

**\$40,000** of this category is estimated for 2 Generators at a cost of \$20,000 each

**\$30,000** of this category is estimated for 2 DC Power and Batteries and Miscellaneous items at a cost of \$15,000 each

**\$40,000** of this category is estimated for purchasing 2 parcels of property for the Huts

**Cash Source 1 - \$32,000** from Citizens (\$334,017 total Matching Source over the entire project)

**Citizens will Cash Match 20% of the Land, structure, right-of-way, and appraisals section of the project.**

**3. Relocation expenses and payment - \$xxx**

**- Provide explanation for the relocation, description of the person involved in the relocation, method used to calculate costs, and additional information as needed.**

**- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.**

**- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.**

**4. Architectural and engineering fees - \$491,739**

**Engineering Design**

**Estimated costs in this category include engineering costs related to Project Planning, Project Design, Staking, Environmental Studies, Permitting Processes, Building Permits, Locality Agreements, Inspection, Testing, Construction, and Equipment Installation. These costs will be incurred by Citizens' engineers over**



the life of the project. There will be 3 engineers assigned to this project and their rates and estimated hours are below:

<b>Lead Engineer</b>	<b>\$223,390</b>	<b>(4,964 hours at a rate of \$45 per hour)</b>
<b>Staff Engineer</b>	<b>\$160,635</b>	<b>(4,590 hours at a rate of \$35 per hour)</b>
<b>Support Engineer</b>	<b>\$107,714</b>	<b>(4,309 hours at a rate of \$25 per hour)</b>

**In-Kind Source 1** - \$491,739 from Citizens (\$491,739 total Matching Source over the entire project)

**Engineering Costs in this section represent 100% of Citizens In-Kind Contributions to the project**

### **5. Other architectural and engineering fees - \$xxx**

- Provide description of estimated fees, rates, explanation of proposed services, and additional information as needed.
- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.
- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

### **6. Project inspection fees - \$xxx**

- Provide description of estimated fees, rates, explanation of proposed services, and additional information as needed.
- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.
- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

### **7. Site work - \$xxx**

- Provide description of estimated fees, rates, explanation of proposed services, and additional information as needed.



- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

### **8. Demolition and removal - \$xxx**

- Provide description of estimated fees, rates explanation of proposed services, and additional information as needed.

- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.

- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.

### **9. Construction - \$9,819,064.00**

- Estimated costs are based on historical data from similar fiber builds.

#### **Outside Plant**

##### **Cables**

**\$5,883,064** of this category is estimated for 115 Miles of 240 S/M Fiber at a cost of \$51,157.08 per mile

**\$3,628,800** of this category is estimated for 70 Miles of 144 S/M Fiber at a cost of \$51,840 per mile

##### **Conduits**

**\$300,000** of this category is estimated for 83,333 Feet of 1 ½" PE Conduit at a cost of \$3.60 per foot

##### **Ducts**

**\$7,200** of this category is estimated for 800 Feet of 4" CPC Ducts at a cost of \$9.00 per foot

**Cash Source 1** - \$84,017 from Citizens (\$334,017 total Matching Source over the entire project)

**Cash Source 2** - \$600,000 from Pulaski County (\$600,000 total Matching Source over the entire project)



**Cash Source 3 - \$230,000 from Giles County (\$230,000 total Matching Source over the entire project)**

**Cash Source 4 - \$667,287 from The Virginia Tobacco Commission (\$667,287 total Matching Source over the entire project)**

**The Cash Contributions from Pulaski County, Giles County, and The Virginia Tobacco Commission will all be applied to the Outside Plant section of the project. Citizens remaining Cash Contribution (Total Contribution less amounts applied to Land and Equipment) will also be applied to Outside Plant.**

**These sources will Cash Match 16% of the Outside Plant Section of this project.**

## **10. Equipment - \$1,090,000.00**

**- Estimated costs are based on historical data from similar fiber builds.**

### **Transport**

**\$620,000** of this category is estimated for Infinera 4-Way Transport Equipment at a cost of \$620,000

**\$450,000** of this category is estimated for Infinera 3-Way Transport Equipment at a cost of \$450,000

**\$20,000** of this category is estimated for Nortel Transport Equipment at a cost of \$20,000

**Cash Source 1 - \$218,000 from Citizens (\$334,017 total Matching Source over the entire project)**

**Citizens will Cash Match 20% of the Equipment section of the project.**

## **11. Miscellaneous - \$xxx**

**- Provide additional information as needed.**

**- Provide detailed description, calculation, and basis of evaluation for each Cash Matching Funds source.**

**- Provide detailed description, calculation, and basis of evaluation for each In-Kind Matching Funds source.**

## **13. Contingencies - \$0**



- Contingencies are an unallowable expenditures under BTOP.

**15. Project (program) income - \$0**

- The value for this line-item on the SF-424C is \$0. Please do not provide an estimated Project (program income) on the SF-424C.

**Addendum**

- Very few indirect costs are allowable through BTOP. If any allowable indirect costs and/or fringe benefits are included in the budget, please provide a copy of your existing Negotiated Indirect Cost Recovery Agreement (NICRA), if available. If the NICRA is applied accordingly in the budget, there is no need to justify the costs. If a NICRA is not available or is not consistent with the rates/calculations in the budget, please provide an explanation of how the amounts were calculated. Please clearly list the manner in which indirect costs are calculated in the budget.

**Note:** Verify that indirects are calculated correctly and are eligible BTOP costs. To clarify, reasonable indirect costs under BTOP are only allowable for Full Time Employees (FTEs) associated with the construction, deployment, or installation of facilities or equipment used to provide broadband service.

**#. Example Budget Narrative - \$724,134 (Confirm to SF-424C)**

**\$100,000** of this category is estimated for legal expenses for contract reviews based on the average legal cost of (\$4) per mile for 25,000 miles.

**\$134** of this category is estimated for legal court filings.

**\$624,000** of this category is estimated for Project Engineering Staff which consists of a project manager and two (2) network engineers.

Staff	Hours	Years	Rate	Total Cost
Project Manager	2080	3	\$20/hr	\$124,800



**BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)**

Project Engineer	2080	3	\$30/hr	\$187,200
Civil Engineer	2080	3	\$50/hr	\$312,000
<b>TOTAL:</b>				<b>\$624,000</b>

**BUDGET INFORMATION - Construction Programs**

OMB Approval No. 4040-0008  
Expiration Date 07/30/2010

*NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.*

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
2. Land, structures, rights-of-way, appraisals, etc.	\$ <input type="text" value="160,000.00"/>	\$ <input type="text"/>	\$ <input type="text" value="160,000.00"/>
3. Relocation expenses and payments	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
4. Architectural and engineering fees	\$ <input type="text" value="491,739.00"/>	\$ <input type="text"/>	\$ <input type="text" value="491,739.00"/>
5. Other architectural and engineering fees	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
6. Project inspection fees	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
7. Site work	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
8. Demolition and removal	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
9. Construction	\$ <input type="text" value="9,819,064.00"/>	\$ <input type="text"/>	\$ <input type="text" value="9,819,064.00"/>
10. Equipment	\$ <input type="text" value="1,090,000.00"/>	\$ <input type="text"/>	\$ <input type="text" value="1,090,000.00"/>
11. Miscellaneous	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
12. SUBTOTAL (sum of lines 1- 11)	\$ <input type="text" value="11,560,803.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="11,560,803.00"/>
13. Contingencies	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
14. SUBTOTAL	\$ <input type="text" value="11,560,803.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="11,560,803.00"/>
15. Project (program) income	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ <input type="text" value="11,560,803.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="11,560,803.00"/>
<b>FEDERAL FUNDING</b>			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter eligible costs from line 16c Multiply X <input type="text" value="79.9058"/> % Enter the resulting Federal share.			<input type="text" value="9,237,760.00"/>
			<input type="text" value="79.9058681304404"/>



## INSTRUCTIONS FOR THE SF-424C

Public reporting burden for this collection of information is estimated to average 180 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0041), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

This sheet is to be used for the following types of applications: (1) "New" (means a new [previously unfunded] assistance award); (2) "Continuation" (means funding in a succeeding budget period which stemmed from a prior agreement to fund); and (3) "Revised" (means any changes in the Federal Government's financial obligations or contingent liability from an existing obligation). If there is no change in the award amount, there is no need to complete this form. Certain Federal agencies may require only an explanatory letter to effect minor (no cost) changes. If you have questions, please contact the Federal agency.

*Column a.* - If this is an application for a "New" project, enter the total estimated cost of each of the items listed on lines 1 through 16 (as applicable) under "COST CLASSIFICATION."

If this application entails a change to an existing award, enter the eligible amounts *approved under the previous award* for the items under "COST CLASSIFICATION."

*Column b.* - If this is an application for a "New" project, enter that portion of the cost of each item in Column a. which is *not* allowable for Federal assistance. Contact the Federal agency for assistance in determining the allowability of specific costs.

If this application entails a change to an existing award, enter the adjustment [+ or (-)] to the previously approved costs (from column a.) reflected in this application.

*Column.* - This is the net of lines 1 through 16 in columns "a." and "b."

---

Line 1 - Enter estimated amounts needed to cover administrative expenses. Do not include costs which are related to the normal functions of government. Allowable legal costs are generally only those associated with the purchases of land which is allowable for Federal participation and certain services in support of construction of the project.

Line 2 - Enter estimated site and right(s)-of-way acquisition costs (this includes purchase, lease, and/or easements).

Line 3 - Enter estimated costs related to relocation advisory assistance, replacement housing, relocation payments to displaced persons and businesses, etc.

Line 4 - Enter estimated basic engineering fees related to construction (this includes start-up services and preparation of project performance work plan).

Line 5 - Enter estimated engineering costs, such as surveys, tests, soil borings, etc.

Line 6 - Enter estimated engineering inspection costs.

Line 7 - Enter estimated costs of site preparation and restoration which are not included in the basic construction contract.

Line 9 - Enter estimated cost of the construction contract.

Line 10 - Enter estimated cost of office, shop, laboratory, safety equipment, etc. to be used at the facility, if such costs are not included in the construction contract.

Line 11 - Enter estimated miscellaneous costs.

Line 12 - Total of items 1 through 11.

Line 13 - Enter estimated contingency costs. (Consult the Federal agency for the percentage of the estimated construction cost to use.)

Line 14 - Enter the total of lines 12 and 13.

Line 15 - Enter estimated program income to be earned during the grant period, e.g., salvaged materials, etc.

Line 16 - Subtract line 15 from line 14.

Line 17 - This block is for the computation of the Federal share. Multiply the total allowable project costs from line 16, column "c." by the Federal percentage share (this may be up to 100 percent; consult Federal agency for Federal percentage share) and enter the product on line 17.

## ASSURANCES - CONSTRUCTION PROGRAMS

OMB Approval No. 4040-0009  
Expiration Date 07/30/2010

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

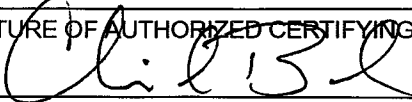
As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the

National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-1 33, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

*SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	*TITLE FINANCE MANAGER
*APPLICANT ORGANIZATION CITIZENS' TELEPHONE CO-OPERATIVE, INC	*DATE SUBMITTED 6/16/2010 0.00