



The Oklahoma Broadband Office ARPA SLFRF And ARPA CPF Default Policy

1. The Oklahoma Broadband Office, under the oversight of the Oklahoma Broadband Governing Board (OBO), may terminate any grant agreement if a subrecipient is in default.

A subrecipient is considered in default if:

- A. A subrecipient voluntarily chooses to be in default by submitting a notice of intent.
- B. A subrecipient has been found noncompliant according to the grant agreement.
- C. A subrecipient has been found to be in breach of the grant agreement.
- D. A subrecipient completes less than sixty percent (60%) of the Broadband Serviceable Locations (“BSLS”) within a project area.

The OBO will seek return of funds for any projects where the subrecipient is in default.

2. Governing Sources

This process is administered in accordance with the U.S. Department of the Treasury SLFRF and CPF Guidance, those program’s Award Terms and Conditions, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, or 2 CFR Part 200, as well applicable Oklahoma Statutes, Administrative Rules, and Fiscal Policies.

Key regulatory provisions include but are not limited to 2 CFR §200.339 “Remedies for noncompliance”, 2 CFR §200.340 “Termination”, 2 CFR §200.344 “Closeout”, 2 CFR §200.345 “Post-closeout adjustments and continuing responsibilities”.

3. Applicability

This process applies to projects that are voluntarily withdrawn by the subrecipient, projects that are partially withdrawn, including specific locations or project segments, projects that are terminated by mutual agreement, projects that have not yet commenced construction or are unable to proceed due to financial, technical, or business considerations.

4. Required Notification to OBO

4.1 Written Notice of Intent

A subrecipient must submit a formal written notice stating its intent to withdraw from a project or return locations. The notice must be submitted via email to mike.sanders@broadband.ok.gov and either SLFRF@broadband.ok.gov or CPF@broadband.ok.gov depending on the applicable program.

The notice must be submitted as soon as the subrecipient determines whether it cannot or will not proceed.

4.2 Required Content of Notice

The written notice must include:

- A. Subrecipient legal name and project identifier
- B. Statement of intent to withdraw or return locations
- C. Effective date of withdrawal
- D. Reason for nonperformance or withdrawal
- E. Identification of all affected service locations
- F. Certification that no further eligible costs will be incurred

5. Required Documentation

Upon notification, the subrecipient must supply the following documentation, as applicable:

- A. Updated project status report
- B. Final expenditure report identifying all costs incurred to date
- C. Certification of funds expended and funds remaining
- D. Documentation supporting any reimbursed costs
- E. Statement confirming return of all unexpended funds
- F. Updated location list identifying locations to be returned to OBO

OBO may request additional documentation as necessary to support compliance and audit requirements.

6. Review and Determination by OBO

6.1 Administrative Review

OBO may make a determination of review where the subrecipient has been noncompliant or in breach of the contract. The OBO will notify the Subrecipient that it is being considered for a

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determination of default. The Subrecipient will be given seven (7) calendar days to provide documentation for the OBO to review. The OBO will review the submitted notice and documentation to confirm project status, determine eligibility of incurred costs, identify funds subject to deobligation or repayment, confirm locations eligible for return and reprogramming. The OBO will also notify the Grants Management Office of the Oklahoma Office of Management and Enterprise Services (“OMES”), and provide any documentation or other requested information from that Office. The Subrecipient is also required to provide documentation to OMES if requested by that group. Per the terms of the Federal award, the U.S. Treasury may request documentation from the subrecipient and the subrecipient must provide that as well.

6.2 Determination of Costs

In accordance with 2 CFR Part 200, OBO will determine whether any costs incurred are allowable, allocable, and reasonable. If the subrecipient does not complete sixty percent (60%) of the locations in a given project area, the costs are presumed to be unallowable, unless a subrecipient can show that costs are allowable, allocable and reasonable. Costs that do not overcome this burden must be repaid.

7. Return of Locations

7.1 Location Reversion

All locations associated with a withdrawn or terminated default project revert to the control of Oklahoma Broadband Governing Board upon the effective date of withdrawal or termination.

7.2 Program Reuse

Returned locations may be reprogrammed within the same funding source or may be made available through a future competitive or negotiated process, consistent with Treasury guidance, state policy, and at the discretion of the Oklahoma Broadband Governing Board.

8. Deobligation and Return of Funds

8.1 Deobligation of Unexpended Funds

OBO will deobligate all unexpended funds associated with the withdrawn scope of work.

8.2 Repayment of Funds

If funds have been disbursed for costs later determined to be unallowable or unsupported, the subrecipient must return such funds in accordance with 2 CFR §200.339 and §200.340, the executed subrecipient agreement, and State fiscal procedures.

8.3 Method of Return

Returned funds must be remitted in the manner and timeframe directed by OBO's fiscal office.

9. Closeout and Record Retention

9.1 Administrative Closeout

OBO will complete closeout actions consistent with 2 CFR §200.344 as well as with the Federal program rules, including reconciliation of expenditures and confirmation of returned funds as.

9.2 Record Retention

Subrecipients must retain all records related to the withdrawn project in accordance with Federal and state retention requirements and must make such records available for audit or review.

10. Treasury and Oversight Reporting

OBO will update all required Federal reports to reflect:

- A. Returned locations
- B. Deobligated or repaid funds
- C. Project termination or modification

11. Public Transparency

OBO may publicly disclose project withdrawals, returned locations, and funding adjustments in accordance with state transparency requirements and U.S. Treasury reporting obligations.

In conjunction with the Close Out Policy, this document constitutes the official Oklahoma Broadband Office process governing project withdrawal, return of locations, and deobligation of funds for ARPA SLFRF and CPF broadband programs.