



## FY 2007 Radio Community Service Grant (CSG)

### General Provisions & Eligibility Criteria

**Note: "Recipient," as used below, refers to the license holder as well as to the station.**

#### SECTION 1. ELIGIBILITY

For the purposes of this grant eligibility criteria statement, an "eligible grantee" shall include only:

**(a)** Existing grantees that received Radio Community Service Grants (CSGs) during Fiscal Year 2006, each of which continues to meet all the operational requirements set forth below (Section 2).

**(b)** Beginning October 1, 2006, applicants accepted each year if, when admitted to the Radio CSG program, they meet all the operational requirements set forth below (Section 2). Eligible applicants will be admitted to the program in the order their applications were received within the filing window, to no more than 15 entrants per year, with eligible first-service and minority applicants receiving priority.

**A. First Service:** The station provides the first CPB-funded public radio service to at least two-thirds of its (and its translators') coverage area population, applying a primary signal coverage standard of 1mV/m for FM and 5mV/m daytime, ground wave for AM.

- a. **Sole Service:** Some first-service stations may also qualify as sole services, meaning that the station operates the only primary broadcast service (radio or television) within a 50-mile radius from the station's transmitter. Licensees operating multiple services (Radio/Radio, Radio/TV) serving the same community may qualify as a single sole service grantee

A station may apply for an exception to the 50-mile rule when it believes it offers the only broadcast signal to a significant portion of its coverage area despite the presence of other signals within the 50 mile radius. These other stations might be limited by terrain, directionality, power, or similar circumstances. CPB will consider these exceptions on a case-by-case basis.

Translators do not qualify as sole service stations because of their secondary status. Secondary services also do not preclude a prospective station from qualifying for a sole service grant.

**B. Minority:** Stations qualifying for minority status as defined in Section 2(G).

Only grantees meeting at least the minimum criteria outlined in the Corporation for Public Broadcasting's (CPB) FY 2007 Radio Community Service Grant General Provisions & Eligibility Criteria are eligible to receive FY 2007 Radio CSGs. As the official grantee, the station's licensee is responsible for maintaining the station's minimum eligibility. CPB considers the Licensee and the Station the recipient of the CSG and will refer to both in the following pages as the grantee except where specified.

Grantees found to be out of compliance with the Radio CSG General Provisions and Eligibility Criteria without the benefit of a waiver may have their current or a future CSG reduced. In addition, late filing of the certified CPB Annual Financial Report (AFR) or Annual Financial Summary Report (FSR), audited financial statements (AFS) (if applicable), and the Annual Station Activities Survey (SAS), may result in a reduction of up to 1/365th of the upcoming grant for each day the report(s) remain outstanding.

## SECTION 2. OPERATIONAL REQUIREMENTS

**A. License:** The station (AM or FM) is on the air, operating as a noncommercial, educational radio station under a renewable noncommercial license granted by the FCC.

**B. Operating Power:** The grantee operates a station that has an effective radiated power of 100 watts or greater in the case of an FM radio station, or an operating power of 250 watts or greater in the case of an AM radio station. NOTE: AM stations which during certain hours of operation are restricted by the terms of their licenses to less than the minimum operating power required by the CPB policy may still be eligible for assistance if all other grant-specific criteria are met.

**C. Broadcast Schedule:** The station's daily broadcast schedule is primarily devoted to quality programming that serves demonstrated community needs of an educational, informational, and cultural nature within its primary signal area. Such programming is intended for a general audience.

The station must have as a minimum, an operating schedule of 18 consecutive hours per day, 7 days per week, and 52 weeks per year. Shared-time stations are not required to meet this criterion. AM stations which are restricted by the terms of their licenses to less than the minimum broadcast schedule required by the CPB policy may be eligible for assistance if all other criteria are met.

Listed below are examples that do not meet these criteria:

- A program schedule that taken as a whole is designed to further the principles of particular political and/or religious philosophies;
- A program schedule designed primarily for in-school, or for professional in-service audiences;
- Stations that are closed circuit, campus stations managed and operated by and for students, and/or stations that provide in-service training programming to licensee employees, clients, and/or representatives; or
- Stations licensed to political organizations.

**D. Locally originated program service:** The grantee originates a significant, locally produced program service designed to educate and serve its community of license.

**E. Facilities:** The station has sufficient, professionally equipped on-air and production facilities to allow for broadcast of programming of high technical quality, including the capability for simultaneous local production and origination. In addition, the licensee must provide sufficient office space suitable for station operations.

**F. Employment Requirement** (refer to your Data Sheet, lines 8 and 9)

1. Full-time and full-time-equivalent (FTE) employees -- professional radio station staff includes permanent personnel with demonstrated skill and expertise in the management, programming, production, promotion, development or engineering areas of radio station operation, paid no less than the minimum federal hourly wage plus regular health benefits, whose terms of employment require the exercise of full-time and/or FTE duties in one or more of these areas.

The term **full-time** identifies the number of hours that constitute a normal work week at each institution or station.

The term **full-time-equivalent** (FTE) identifies the number of hours that constitute the normal full-time work week at each institution or station.

Positions funded by the CSG may not be counted in fulfillment of required full-time, or full-time-equivalent, professional radio station staff.

2. Custodial and clerical staff, students whose student status is a condition of employment, interns and trainees do not meet the definition of the full-time or full-time-equivalent criterion, nor do personnel teaching or holding academic duties in excess of the equivalent of one three-hour credit course per quarter or semester.
3. Grantees meeting at least two of the three tests for a minority grant may count full-time equivalent staff toward the full-time staffing requirement. (See Section G, below)

**CSG LEVELS AND EMPLOYMENT REQUIREMENTS**

| <b>Community Service Grant (CSG)</b> | <b>Minimum Staffing</b>  |
|--------------------------------------|--|
| Level A                              | None   |
| Level B                              | One full-time employee   |
| Levels C and D                       | Two full-time employees plus two full-time equivalent employees on an annual (12-month) basis.<br><br>At least two full-time staff members are employed in a managerial and/or programming position. |

**G. Minority Incentive Eligibility** (refer to your Data Sheet, line 5)

CPB defines a minority grantee as one that meets at least two of the following three tests:

- a measured minority audience composition (cume) greater than 35 percent over the previous two years;
- at least half of the station's full-time work force are members of minority groups;
- at least half of the members of the licensee's board of directors are members of minority groups, or (b) the station(s) is/are licensed to an historically black college or university, as defined by the U.S. Department of Education.

Stations with a board of directors, at least half of the members of which are Native American, qualify for all minority incentives.

**H. Minimum Non-federal Financial Support** (refer to your Data Sheet, line 6)

For FY 2007 grants, the minimum FY 2005 Non-federal financial support (NFFS) for each of the CSG Levels is listed in the table below:

| <b>CSG</b>     | <b>Minimum NFFS</b> |
|----------------|---------------------|
| Level A        | None                |
| Level B        | \$100,000           |
| Levels C and D | \$200,000           |

**I. Audience Service Criteria** (refer to your Data Sheet, lines 7 and 10)

CSG Level A does not need to meet this standard. Grantees qualifying for Levels B, C, and D must show significant and measurable listening relative to coverage area population by meeting the Listening Index below or must show significant and measurable community financial support relative to coverage area population by meeting the Community Financial Support Index as defined below. The CPB Radio CSG Data Sheet will state if the Grantee meets or exceeds the standard.

| FY 2007 Listening Index  | OR | FY 2007 Community Financial Support Index                                 |
|--|----|---|
| <u>Average AQH *10,000</u><br>Coverage Area Population (CAP)   |    | <u>Community Financial Support *100</u><br>Coverage Area Population (CAP) |
| Minority grantees—meeting at least two of the three tests for a CPB-funded minority station—need only meet one half of the applicable index. |    |   |

| Coverage Area Population | Listening Index Goal (LI) | Community Financial Support Goal (CFSI) |
|--------------------------|---------------------------|---|
| > 5 million              | 13                        | 34                                      |
| 1 - 5 million            | 16                        | 37                                      |
| 500,000 - 1 million      | 19                        | 44                                      |
| < 500,000                | 24                        | 48                                      |

1. **Listening Index** - The average AQH is the average of the two prior years' (2004 and 2005) AQHs, as measured by Arbitron in its Spring survey period. Alternatively, CPB may agree to accept AQH measurements from any two Arbitron survey periods within the 24 months preceding the grant year, provided that those survey periods are at least six months apart.
2. **Community Financial Support Index** - Community Financial Support is the sum of the following lines Schedule A of the FY 2005 CPB Annual Financial Report. These lines are:

- Line 8 Foundations and Nonprofit Associations
- Line 9 Businesses and Industry
- Line 10 Gross Subscription and Membership Revenue
- Line 11 Revenue from Friends Groups less any revenue included on line 10
- Line 13 Net Auction Revenue
- Line 14 Net Revenue from Special Fundraising Activities
- Line 19 Gifts and Bequests from Major Donors

Financial Summary Report (FSR) filers should sum lines 6 through 9 of the 2005 FSR to calculate their Community Financial Support figure.

**J. Coverage Area Demographics** (refer to your Data Sheet, lines 3 and 4)

Beginning in FY 2000, CPB incorporated coverage area demographics in determining placement in the various CSG Levels. The following table gives a brief description of the coverage area demographic guidelines for each level of the CSG program.

| Description | Population Density (PD)<br>=people per square kilometer |
|-------------|---|
| CSG Level A | n/a   |
| CSG Level B | various   |
| CSG Level C | PD <= 40  |
| CSG Level D | PD > 40   |

**K. Other Criteria**

- 1. Joint licensees** must meet the eligibility criteria for both radio and television grants without double-counting the same resources.
- 2. Licensees receiving more than one radio CSG** must meet the eligibility criteria for each grant without double-counting the same resources.
- 3. Overlapping Stations.** A licensee must qualify overlapping stations as a single grantee when it operates two or more stations whose signals overlap by 50 percent or more. Signals overlap by more than 50 percent when the majority of the coverage area of one station is served by the other(s). The coverage area is defined by the primary signal coverage standard of 1mV/m for FM and 5mV/m daytime, ground wave for AM.

**SECTION 3. USE OF GRANT FUNDS - PURPOSE AND RESTRICTIONS**

**A. PURPOSES**

Community Service Grants (CSGs) are to be used to augment the capability of public broadcast stations supported by CPB to expand the quality and scope of their services to the community. CSGs may be used to sustain activities begun with previous CPB CSG funds.

**1. Discretionary Portion of the CSG**

For all grant levels, in FY 2007 approximately 75 percent of the grant may be used as specified in Section 396(k)(7) of the Communications Act of 1934, 47 U.S.C. 396(k)(7), which provides that "The funds distributed...may be used at the discretion of the Grantees for purposes related primarily to the production or acquisition of programming."

Expenditures from the discretionary, or unrestricted, portion of the CSG must fall in seven categories:

- (1) Programming and Production
- (2) Broadcasting, Transmission and Distribution
- (3) Program Information and Promotion
- (4) Fundraising and Membership Development
- (5) Underwriting and Grant Solicitation
- (6) Management and General
- (7) Purchase, Rehabilitation or Improvement of Capital Assets

### **Program Services**

#### **(1) Programming and Production**

This function consists of the production and/or acquisition of programming and conducting program operations. This category includes such functions as program development, program planning, equipment operation, and editing. Below is a list of some activities whose costs, including salaries and benefits for personnel engaged in the activities, should be included in this classification:

- Broadcast rights for programs or series or rights to use or adapt published materials
- Program or web content planning and research (script writing, printing, and consulting)
- Directors, producers, cast, stagehands, engineers, technicians, and other personnel involved
- Rental of facilities or production equipment
- Space, supplies, and other station resources used
- Repair and maintenance of programming and production equipment
- Depreciation and amortization of station equipment and leasehold improvements used
- National Public Radio (NPR) membership dues and Public Radio International affiliate fees

#### **Educational Programs**

Documentation must clearly identify the percentage of the grant funds used to create or purchase programs with educational intent or instructional design. "Educational intent" is defined as addressing a specific educational interest of a target audience. "Instructional design" is defined as: having educational intent; involving educators substantially in program development; providing ancillary materials in support of, or as a supplement to, the programs; and obtaining rights for institutional off-air recording, audio visual, reversioning, etc., as appropriate, at the time of production.

#### **Educational Outreach Activities**

This includes expenditures for community outreach activities related to local or national programs. Such activities could include, but are not limited to: local or national services that provide means for viewers and listeners to follow up on programs through computer, video, and audio conferencing; town meetings; local call-in shows; public service announcements; telephone hot lines; and dissemination of related information and materials.

## **(2) Broadcasting, Transmission and Distribution**

This function consists principally of program transmission, interconnection, and other content distribution. Also included are scheduling and engineering. Below is a list of some activities whose costs, including salaries and benefits for personnel engaged in these activities, should be included in this classification:

- Scheduling programs for airing
- Repair and maintenance of broadcasting equipment
- Depreciation of antenna, transmission, and other broadcasting equipment
- Distribution and interconnection fees
- Web hosting and streaming fees

## **(3) Program Information and Promotion**

This function consists of informing the viewing or listening public of specific available program services. Below is a list of some activities whose costs, including salaries and benefits for personnel engaged in those activities, should be included in this classification:

- Producing or acquiring "spots" designed for the promotion of specific programs
- Materials and related supplies used for promoting programs and services
- Advertising in newspapers or other media
- Preparing, reproducing, and distributing program guides
- Travel and related expenses of promotion

## **Supporting Services**

### **(4) Fundraising and Membership Development**

Fundraising consists of inducing others to contribute money, securities, time, materials, or facilities. Below is a list of some activities whose costs, including salaries and benefits for personnel engaged in those activities, should be included in this classification:

- Costs incurred in the solicitation of underwriting funds and grants
- Costs of membership development
- Acquiring and distributing fundraising material
- Designing, printing, and distributing leaflets or posters for fundraising
- Meetings for the purpose of improving fundraising techniques
- Services of fundraising consultants and talent
- Developing and maintaining contributor records
- Committee meetings dealing with fundraising policies and issues, including the preparation of minutes and reports of such meetings
- Program and production costs of broadcast appeals for funds
- Mailing costs related to fundraising
- Direct costs of special fundraising activities and auctions

## **(5) Underwriting and Grant Solicitation**

Underwriting development consists of soliciting program underwriting funds and general support grants from foundations, corporation, or governments. Expenditures should be classified separately in this category (rather than combined with fundraising and membership development expenditures or with management and general expenditures) if the expenditures are significant.

## **(6) Management and General**

This function consists of supervising and controlling overall, day-to-day operations, including accounting and office service departments. It also includes resources and activities whose costs are not directly identified with another function, but which are indispensable to the conduct of those activities and to an organization's existence. This includes expenses for the overall direction of the entity's general board activities, business management, general recordkeeping, budgeting and related purposes. Below is a list of some activities whose costs, including salaries and benefits for personnel engaged in those activities, should be included in the classification:

- Human resource administration, including recruiting, retention, and benefit programs
- Accounting, auditing, and budgeting
- Information technology systems and support services, where not specifically devoted to other functions
- Legal services of a general (non-program) nature
- All occupancy costs not specifically identifiable with other functions
- Office functions that provide general support throughout the organization. For example, corporate receptionists and telephone attendants, central mail services, and maintenance of corporate archives
- Maintenance of operations manuals, directors committee lists, and expenses related to governing board, Community Advisory Board, or administrative committee meetings
- Depreciation of buildings, furnishings, and equipment used in management and general functions
- National Public Radio representation fees

## **Investment in Capital Assets**

### **(7) Purchase, Rehabilitation or Improvement of Capital Assets**

This includes expenditures for purchase, rehabilitation, or improvement of tangible capital assets such as studio and station equipment and vehicles, buildings and other structures, and other capital assets that are funded with the CSG.

## **2. Restricted Portion of the CSG (formerly NPPAG)**

For all grant levels, in FY 2007 approximately 25 percent of the CSG must be spent on national program production and acquisition. (The percentage will differ for grantees that receive a Rural Listener Access Incentive Fund bonus grant.) These funds must be used as specified in Section 396(k)(3)(A)(iii) of the Communications Act of 1934, which provides that the funds are "solely to be used for acquiring or producing programming that is to be distributed nationally and is designed to serve the needs of a national audience."

This portion of the CSG must be used exclusively for the acquisition, production, promotion, and distribution of national programming of high quality, diversity, creativity, excellence, and innovation, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature.

To qualify as a "national" program for funding from CSG funds, a program must be placed in the national marketplace of public radio programming. In addition to the purposes described in the previous paragraph, this portion of the CSG may be used for the direct costs associated with placing a program produced with CSG funds into the national marketplace, such as the cost of purchasing satellite time, or other direct distribution costs.

Expenditures from the restricted portion of the CSG must fall in four categories:

- (1) Production
- (2) Program and Content Acquisition
- (3) Distribution
- (4) Promotion

### **(1) Production**

Expenditures include station production of programs for national distribution, and payments directly to independent producers to produce programs for national distribution by the station. For administration purposes, to qualify as a national program for funding from CSG restricted funds, a program must be placed in the national marketplace of public radio programming.

### **(2) Program and Content Acquisition**

Expenditures include payments to public broadcasting entities that act as producers and/or distributors for national programs. For example: National Public Radio, Public Radio International, Alaska Public Radio Network, AIROS, Radio Bilingüe, and Pacifica Program Service. Expenditures also include direct payments to acquire programs from all other producers (commercial and nonprofit) including independents acting as their own distributors.

### **(3) Distribution**

Expenditures include distribution/interconnection fees, uplink fees, satellite space, and supplies related to the national distribution of locally produced or acquired programming. Expenditures also include broadcast, transmission, and technical costs. Equipment cannot be purchased with restricted funds.

#### **(4) Promotion**

Expenditures include promotion of acquired national programs, and nationally distributed programs produced by the station or by independent producers under contract to the station.

#### **B. RESTRICTIONS**

1. The station's licensee may not impound or otherwise withhold or inappropriately restrict the use of CSG funds by the station(s). CSG funds may not be used to supplant funds or other support already being provided to the station(s) by the licensee, or to offset budgeting cutbacks by the licensee. For purposes of these General Provisions and Eligibility Criteria, "supplant" means to reduce the amount of funds or other support already being provided by the licensee in proportion to, or because of, funding through the CSG.
2. CSG funds may not be used to offset an institutional licensee's overhead or expenses.
3. CSG funds or proceeds from the liquidation or transfer of assets acquired with CSG funds must be used solely for the benefit of the public broadcast station.
4. Full-time station personnel whose salaries are paid by CSG funds must exercise full-time responsibilities in broadcast station operations. Such personnel shall not be required by the licensee to perform duties unrelated to the operation of the broadcast station(s).
5. CSGs shall not be used by the Grantee for personnel services, programming (both production and acquisition), or technical facilities in excess of standard amounts usually paid, charged or otherwise applied by the Grantee for the same services and facilities under similar circumstances.
6. Grantee agrees that if, at any time during the grant period covered by this agreement, it should cease to provide the public broadcasting services for which this grant is made, it shall, upon request of the Corporation for Public Broadcasting, return any or all of the grant funds to the Corporation for Public Broadcasting.

#### **SECTION 4. GRANT SPENDING PERIOD, PAYMENT SCHEDULE AND REPORTING REQUIREMENTS**

**A. Grant Spending Period:** The FY 2007 grant spending period extends from October 1, 2006 through September 30, 2008.

**B. Payment Schedule:** FY 2007 CSGs (all Levels) will be disbursed to the Licensee in two payments: the first payment will be disbursed beginning November 2006, and the second payment will be disbursed beginning March 2007. However, each grant payment will be contingent upon the Grantee submitting all of the required forms, reports and/or other documents in accordance with the deadlines set forth in the Station Report Filing Summary.

**C. CSG Offer Expiration:** The CSG Agreement must be properly executed by June 30, 2007 or the grant will be forfeited. If payment is not desired at the time the Agreement is executed, then the grantee should specify, in writing to grants@cpb.org, the later date on which it would like the funds to be disbursed.

**D. Reporting Requirements:** To avoid delayed disbursement of FY 2007 CSG payments and possible penalty reductions in future CSGs, the required documents and reports must be completed and submitted to CPB in a timely fashion.

In past years, CPB required grantees to file an annual CSG Final Report. This report is no longer required. Instead, CPB now adds a paragraph to the current year CSG Agreement for grantees to certify and warrant that the prior year grant funds were properly expended in accordance with CPB’s guidelines. The grantee is still required to keep documentation pertaining to grant expenditures for the previous spending period in their files for three years.

Each CPB Radio CSG recipient must file either an AFR or FSR.

Each recipient of a CSG in Levels A and B must file an FSR. A CSG recipient in Levels A or B that received \$50,000 or more from CPB in the reporting year (the Grantee’s 2005 fiscal year) must also file an audited financial statement (AFS), and its FSR must include an attestation by an independent accountant that the FSR complies with CPB’s Financial Reporting Guidelines.

Each Level C or D grantee must file a separate AFR for each separate CSG that it receives. Each grantee in Levels C or D must also file an AFS, but the AFS may consolidate the financial reporting for multiple stations licensed to or operated by the same entity, even if they are benefiting from more than one CSG.

| CSG level | CPB amount received during reporting year (2005) | Audited financial statements required? | Annual Financial Summary Report (FSR) required? | Annual Financial Report (AFR) required? |
|-----------|--|--|---|---|
| A and B   | < \$50,000                                       | No                                     | Yes   | No                                      |
| A and B   | >= \$50,000                                      | Yes                                    | Yes   | No                                      |
| C and D   | Any  | Yes                                    | No  | Yes                                     |

As a condition of receiving the CSG, each grantee, regardless of level, must also complete and submit the annual Station Activities Survey.

## SECTION 5. EXPENDITURE OF FUNDS

**A. Unexpended Funds:** All FY 2007 CSG funds must be expended by September 30, 2008. There is no carry-over provision, and all unexpended funds must be returned to CPB. Make check payable to the Corporation for Public Broadcasting. (See Section 8 below, Termination, re: repayment of unexpended funds at the date of termination.)

**B. Unauthorized Expenditures:** CSG funds shall be used only while the recipient is in conformity with (a) the representations and data contained in the eligibility application package and all of the attachments thereto; and (b) these general provisions and eligibility criteria for the FY 2007 Radio CSG, the certification of eligibility, and all other related documents.

In addition, CSG funds shall be expended only in accordance with the purposes and restrictions set forth in these general provisions and eligibility criteria and other similar restrictions to be determined by CPB policy decisions from time to time.

Expenditures or uses of CSG funds which are inconsistent with such purposes and restrictions and:

- which are made during any time in which the grantee fails to be in conformity with Sections 3A and 3B, above; or
- which are not fully supported by available documentation in accordance with the record keeping provisions in Section 10B

shall be considered unauthorized expenditures. The amounts of all unauthorized expenditures shall be fully repaid to CPB immediately upon CPB's request.

**C. Documentation of Expenditures:** All CSG expenditures must be supported by documentation (invoices, contracts, bills of sale, check stubs, etc.). The grantee must keep documentation pertaining to grant expenditures in their files for three years, and such documentation must be made available for CPB review upon request. CPB will use such documentation as the basis for audits of CSG expenditures.

Expenditures that cannot be supported with documentation may be disallowed. Undocumented expenditures cannot be replaced with other station expenditures after the expenditure period ends. All disallowed expenditures are subject to refund to CPB. Disallowed expenditures include those expressly prohibited by the CSG General Provisions and other similar restrictions to be determined by CPB policy decisions from time to time.

## **SECTION 6. CREDIT FOR CPB**

Recipients must ensure that any program produced or acquired with funds received pursuant to the restricted portion of the CSG (formerly NPPAG) will be broadcast with an appropriate and sufficient underwriter credit for CPB identifying CPB's financial assistance.

## **SECTION 7. EXTENT OF CPB COMMITMENT**

No commitment, expressed or implied, is assumed by CPB to provide funds in excess of the amount offered by CPB.

## **SECTION 8. TERMINATION**

Failure to maintain compliance with these General Provisions and Eligibility Criteria and the commitments attested to by the Recipient in the CSG Agreement may result in termination of CSG funding. The amounts of all unexpended CPB funds at the date of termination shall be fully repaid to CPB immediately. Checks should be made payable to the Corporation for Public Broadcasting.

## **SECTION 9. ASSIGNMENT**

No rights or obligations under any CSG shall be assigned in whole or in part by the Licensee without the prior written consent of CPB.

## **SECTION 10. COMMUNICATIONS ACT REQUIREMENTS**

### **A. Open Meetings, Open Records, Community Advisory Board, and Mail Lists and Political Activities**

As a condition of accepting this CSG, the licensee and the station must certify that they currently comply, and agree that they will continue to comply in full throughout the term of this CSG, with all Sections of the Communications Act. What is provided here is a summary of the Communications Act requirements as to which grantees must certify their compliance to CPB; nothing herein replaces or supersedes other applicable laws and regulations.

In general, the Communications Act requires that board meetings and advisory board meetings be open to the public, that annual financial and audit reports be available for public inspection, that reports on minority employment be available for public inspection, and that certain licensees maintain community advisory boards. In addition, there are limitations on the use of donor information and strict prohibitions on exchanging or renting such information to political organizations and/or candidates. For a complete discussion of the requirements please consult the website: <http://www.cpb.org/stations/certification/>.

NOTE: The Communications Act provisions about open board meetings, open records, and mail lists and political activities apply to all Grantees. Only certain licensees are required to have a community advisory board.

### **B. Record Keeping and Audit Requirements**

All Recipients of CSG funds must satisfy the requirements of the Communications Act of 1934, as amended, 47 U.S.C. 396(l)(3)(B, C, and D). In general, these set requirements for record-keeping and auditing and require that CPB or its representatives have access to financial records. Consult the Web site <http://www.cpb.org/stations/certification/cert2.html> for more information.

Furthermore, discrete accounting and proper documentation shall be maintained to support all FY 2007 CSG expenditures. All CSG expenditures must meet the test of allowability as stated throughout this document and as provided by all other CSG related documents and policies. CSG funds which cannot be accounted for because of recipient's failure to comply with this requirement may be subject to repayment to CPB. The recipient shall maintain such other records that CPB may require to facilitate an effective audit. CSG records must be retained for no less than three years after the end of the expenditure period.

If there are any subsequently discovered inaccuracies, whether reported by applicant or discovered during the course of an audit, CPB may adjust the grant downward, as accurate data may require and as determined by CPB. If a downward adjustment is warranted, CPB may recover overpayment through a reduction in future grant awards as an alternative to requiring immediate return of any overpayment. If recovery of overpayment is required, CPB will notify the grantee by letter of the actions CPB intends to take and notify the grantee that it has 30 days from the date of the letter to respond or seek clarification in writing about CPB's intended actions. If CPB does not receive any written response from the grantee within those 30 days, CPB will implement the actions described in the letter.

### **C. Equal Opportunity**

The Communications Act requires each licensee or permittee of a public broadcast station to file with CPB an annual statistical report that: (a) identifies by race and sex the number of employees in each of eight full-time and part-time job categories (officials and managers; professionals; technicians; office and clerical personnel; skilled craft persons; semi-skilled operatives; unskilled operatives; and service workers; and (b) states the number of job openings occurring during the course of the year. CPB currently requires that this statistical information be provided in the employment portion of the Annual Station Activities Survey, which all CPB-supported grantees must file with CPB. This statistical information also must be made available to the public at the central office of the station and at every location where more than five full-time employees are regularly assigned work.

## **SECTION 11. NONDISCRIMINATION**

**A.** Recipient agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, or physical or mental handicap. Recipient will take affirmative action to ensure that applicants are considered for employment, without regard to their race, color, religion, age, sex, national origin, or physical or mental handicap.

**B.** Recipient further agrees that it will comply with all laws and regulations prohibiting discrimination on the basis of race, color, religion, age, sex, national origin, or physical or mental handicap that may be applicable to Recipient. These laws may include, but are not limited to Title III of the Public Telecommunications Financing Act of 1978 (47 U.S.C. 398); Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2002e); the Equal Pay Act of 1963 (29 U.S.C. 206); the Age discrimination in Employment Act of 1967 (29 U.S.C. 621-634); Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2002d); Title IX of the Education Amendment of 1972 (20 U.S.C. 1681); Title V of the Rehabilitation Act of 1973 (29 U.S.C. 790-794); and the Federal Communications Commission's regulations concerning equal employment opportunity (47 C.F.R. 73.2080).

C. Recipient will include the provisions of this section in all subcontracts and delegations entered into in connection with the CSG.

## **SECTION 12. EQUAL OPPORTUNITY AND CPB ASSISTANCE**

A. Every licensee or permittee of a public broadcast station which receives funds from CPB must certify to CPB that it complies with the FCC regulations concerning equal employment opportunity (47 C.F.R. 73.2080). Each licensee or permittee of a broadcast station with more than five full-time employees must further certify that the job openings identified in the statistical reports described above were filled in accordance with such FCC regulations, or provide a statement of the reasons for not filling the positions in accordance with such regulations. CPB currently requires that these certifications and, if necessary, the statement of reasons be provided in the Radio CSG Certification of Eligibility.

B. In addition, in accepting the General Provisions and Eligibility Criteria, Recipient agrees to implement the following policy on "Equal Opportunity and CPB Assistance" as a term or condition of the CSG.

C. It is the policy of CPB to (1) fully comply with all applicable laws and regulations, including laws and regulations prohibiting discrimination against any person on the basis of race, color, religion, national origin, age, sex, or physical or mental handicap; and (2) require that each Recipient of assistance from CPB, whether in cash or in-kind, comply with all such laws and regulations.

## **SECTION 13. GOVERNING LAW AND JURISDICTION**

Except as otherwise required by law, the Recipient agrees that the CSG and all instruments between the Recipient and CPB executed pursuant thereto shall be construed under the laws of the District of Columbia. Notwithstanding the jurisdiction of any other court, the Recipient expressly submits and consents in advance to the jurisdiction of the Superior Court of the District of Columbia and the U.S. District Court for the District of Columbia for all claims or disputes pertaining directly or indirectly to any CSG or Interconnection Grant, any supplement thereto, or any matter arising there from. The Recipient further agrees that in any action or proceeding commenced in any court in the District of Columbia, the Recipient shall be deemed to have been duly served with process of such court when process is delivered to the Recipient personally or by certified or registered mail (return receipt requested), within or without the District of Columbia.

## **SECTION 14. OTHER REQUIREMENTS**

### **A. CPB Role and Cooperation with Government Agencies**

CPB is a private, nonprofit corporation. Because CPB is neither a government agency nor a law enforcement body, it does not have the legal authority to investigate and adjudicate complaints based upon allegedly discriminatory practices by recipients of its assistance that such agencies and bodies do. CPB will, however, promptly refer all such complaints received by it to a government agency with jurisdiction for any proceedings that may be appropriate. Further, CPB will cooperate fully with every agency with jurisdiction to inquire into allegedly discriminatory practices of Recipients of CPB assistance.

## **B. Laws and Regulations Applicable**

Applicable laws and regulations prohibiting discrimination against persons on the basis of race, color, religion, national origin, age, sex, or physical or mental handicap may be federal, state, or local and may vary from Recipient to Recipient and from jurisdiction to jurisdiction. Each applicant or Recipient of CPB assistance shall inform itself of the laws and regulations applicable to it, and CPB shall not undertake to so inform the applicant or Recipient, unless a law or regulation requires that CPB do so, and then CPB shall undertake to inform the applicant or Recipient only to the extent the law requires.

## **C. Suspension or Cancellation of CPB Assistance**

Whenever a court or government agency with jurisdiction shall determine finally that a Recipient of assistance from CPB is in violation of federal, state, or local laws and regulations prohibiting discrimination on the basis of race, color, religion, age, national origin, sex, or physical or mental handicap, and notice of such determination is given in writing to CPB by the court, agency, or any other person and officially certified, CPB shall promptly notify the Recipient that unless the Recipient shall demonstrate to the satisfaction of CPB within 30 days that the violation has been fully corrected or that the Recipient is in full compliance with all remedial provisions of such final determination, CPB shall suspend or cancel all assistance to the Recipient.

Whenever such final determination is appealed or otherwise challenged in an appropriate forum, whether or not the effect of such determination is stayed pending appeal, CPB shall notify the Recipient that, unless the Recipient can show cause to the contrary within 30 days, CPB shall suspend or cancel CPB assistance. If CPB decides to suspend such assistance, then all sums that would otherwise have been payable to the Recipient shall be held by CPB pending completion of the appellate process, but the provision of in-kind assistance shall not be suspended or canceled pending the appeal.

## **D. Applicants Ineligible to Receive CPB Assistance**

An applicant for assistance from CPB, whom a court or government agency with jurisdiction has made a final determination to be in violation of any federal, state, or local law or regulation prohibiting discrimination on the basis of race, color, religion, age, national origin, sex, or physical or mental handicap, shall be ineligible for assistance from CPB, unless the applicant shall demonstrate to the satisfaction of CPB that the violation has been fully corrected or that it is in full compliance with all remedial provisions of such final determination.

## **E. FCC Compliance**

All stations benefiting from a CSG must fully comply with FCC regulations and the terms of the station's broadcast license. Failure to do so may result in the loss of CPB funding.