



Corporation
for Public
Broadcasting

**Corporation for Public Broadcasting
FY 2014 Radio Community Service Grant
General Provisions and Eligibility Criteria**

Updated March 25, 2014

These General Provisions and Eligibility Criteria govern the use of Community Service Grant funds and the eligibility of grantees to receive them. Grantees must annually certify their understanding of and compliance with all of the provisions herein and compliance is subject to audit by the Inspector General. Accordingly, this document should be read and understood by each officer and employee who is responsible for the grantee's compliance and/or certification of compliance with the requirements herein.

If you have any questions about the General Provisions and Eligibility Requirements please contact isis@cpb.org. Be sure to include your call letters and four-digit Grantee ID.

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EXHIBIT A FY2014 RADIO COMMUNITY SERVICE GRANTS - LEVELS AND QUALIFICATIONS



FY2014 Radio Community Service Grant General Provisions & Eligibility Criteria

These General Provisions and Eligibility Criteria are divided into two parts. Part I sets forth provisions applicable to all CPB radio Community Service Grant awarded hereunder. Part II sets forth provisions applicable to additional radio funding programs administered by CPB.

I. GENERAL PROVISIONS AND ELIGIBILITY CRITERIA APPLICABLE TO ALL CPB RADIO GRANT PROGRAMS

Section 1. Definitions

As used in these General Provisions and Eligibility Criteria, the Certification Requirements for Station Grants Recipients (defined below), and all other related documents, the following terms shall have the definitions set forth in this Section—

- 1. Annual Financial Report (“AFR”):** The financial information that Grantees must provide and comply with set forth in the Financial Reporting Guidelines (“Financial Reporting Guidelines”), incorporated herein by reference and available at <http://cpb.org/stations/frg/>.
- 2. Annual Financial Summary Report (“FSR”):** The required financial information (based on audited financial statements) set forth in the Financial Reporting Guidelines, certain Grantees must provide in order to receive a CSG. The Financial Reporting Guidelines are incorporated herein by reference and available at <http://cpb.org/stations/frg/>.
- 3. ASC Funds:** Twenty-five percent (25%) of a station’s FY2014 CSG that is not restricted under the Use of Grant Funds and Restrictions, Section 6 (A) (9).
- 4. Average Quarter Hour Persons (“AQH Persons”):** The average number of persons listening to a particular station for at least five minutes during a 15-minute period.
- 5. Average AQH:** A measure of audience service used by CPB to determine CSG eligibility. The Average AQH is the average of the two prior years’ AQH Persons, as measured by Arbitron in its Spring survey period (e.g., for the calculation of the Listening Index for FY2013 CSGs, Spring 2010 and Spring 2011 AQH will be used). Alternatively, CPB may agree to accept AQH measurements from any two Arbitron survey periods within the twenty-four (24) months preceding FY2012, provided those

survey periods are at least six months apart.

- 6. Certification Requirements for Station Grants Recipients:** A document explaining the requirements of the Communications Act which recipients of a CSG must certify their continued compliance with, as well as certifying their continued compliance with the General Provisions and Eligibility Criteria. The document is incorporated herein by reference, and available at <http://cpb.org/stations/certification/>.
- 7. Calculation Document:** The document setting forth the means by which CPB calculates the amounts to be received by a Grantee under the CSG program. The FY2014 Radio CSG Calculation Document is attached as Exhibit A hereto.
- 8. Certification of Eligibility:** The form(s) each station applying for a CSG must submit electronically through the CPB software system referred to as ISIS or the “Integrated Station Information System”. The form certifies Grantee’s continued compliance with the Communications Act requirements and the General Provisions and Eligibility Criteria.
- 9. Community Advisory Board. (“CAB”)**
- 10. Communications Act:** The Communications Act of 1934, as amended (47 U.S.C. § 396, *et seq.*). Selected portions of the Communications Act, along with CPB’s interpretations thereof, are set forth in the Certification Requirements for Station Grants Recipients.
- 11. Community Financial Support (“CFS”):** For Grantee’s filing an Annual Financial Report CFS is the total of the following lines in Schedule A of its 2012 fiscal year Annual Financial Report:
 - Line 3.1C Direct Support from Licensee
 - Line 8 Foundations and Nonprofit Associations
 - Line 9 Business and Industry
 - Line 10 Memberships and Subscriptions
 - 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 DonorsFor Grantee’s filing an Annual Financial Summary Report CFS is the total of Lines 4.1, and Lines 6 through 9 of its 2012 fiscal year Annual Financial Summary Report.
- 12. Community Service Grant (“CSG”):** An FY2014 community service grant awarded to a radio station by CPB, unless otherwise identified.
- 13. Compliance Projects:** Projects designed to assist Grantee in becoming compliant with the applicable ASC requirements.
- 14. Coverage Area Population (“CAP”):** The population within the coverage area of a

station using contours specified by CPB (consistent with the rules and policies of the Federal Communications Commission) and using the most recent population data from the U.S. Census Bureau.

15. CSG Levels: There are four CSG levels: A, B, C and D. CPB incorporates CAP into its determination of placement in one of the four Levels. Each Level is determined by a number of metrics for a station's fulfillment of the Eligibility Criteria set forth in Section 2, and the Operational Requirements set forth in Section 5.

16. The Corporation for Public Broadcasting ("CPB").

17. CPB-Qualified Programming: General audience programming that serves demonstrated community needs of an educational, informational, or cultural nature. Programs that further the principles of particular political or religious philosophies or that are designed primarily for in-school or professional in-service audiences are not considered CPB-Qualified Programming.

18. Discrete Accounting Requirement: The requirement that recipients of CSG funds utilize a unique code that identifies CSG funds – both revenues and expenses, restricted and unrestricted – so that both CPB and the auditor can discretely track those funds within the recipient's accounting system. There is no requirement to segregate CSG funds in separate bank accounts; co-mingling funds is allowable as long as the accounting system can easily identify transactions associated with a major activity (*e.g.*, department, grant, contract, or other project).

19. Effective Radiated Power ("ERP"): Consistent with the rules and policies of the Federal Communications Commission, the product of the antenna power (transmitter output power less transmission line loss) times: (1) the antenna power gain, or (2) the antenna field gain squared. Where circular or elliptical polarization is employed, the term effective radiated power is applied separately to the horizontal and vertical components of radiation. For allocation purposes, the effective radiated power authorized is the horizontally polarized component of radiation only.

20. The Federal Communications Commission ("FCC").

21. Financial Reporting Guidelines: Set forth financial reporting requirements of stations receiving a CSG. The Guidelines are incorporated herein by reference and available at: <http://cpb.org/stations/frg/>.

22. Full-Time Employee: Permanent personnel of the station, employed by the licensee (or a parent company, subsidiary, affiliate, or third party operating pursuant to a contract with the licensee), who possess demonstrated skill and expertise in the management, programming, production, promotion, development, or engineering areas of radio station operations, who are paid no less than the minimum federal hourly wage plus all benefits that the licensee (or a parent company, subsidiary, affiliate, or third party operating pursuant to a contract with the licensee) generally provides to its full-time employees, and whose terms of employment require working the number of hours that constitute a normal work week at each institution or station in one or more of these areas.

23. Full-Time-Equivalent (“FTE”) Employees: Two or more employees who, collectively, satisfy the criteria for a Full-Time Employee, except that FTE Employees need not receive all benefits that the licensee (or a parent company, subsidiary, affiliate, or third party operating pursuant to a contract with the licensee) generally provides to its full-time employees.

24. Grantee: The FCC station licensee legally authorized to receive a CSG.

25. Joint Licensees: Those licensees eligible to receive both a TV CSG and one or more radio CSGs.

26. Minority Audience Service Station (“MASS”): A radio station that provides significant service to a minority group or groups through diverse programming that serves the needs and interests of minorities. Stations will be deemed qualified if they meet at least one of the criteria below:

- A. A measured minority audience composition (cume) greater than forty percent (40%) averaged over the previous three consecutive measured quarters*;
- B. The station is licensed to a designated Historically Black College or University; or
- C. The station is licensed to a Native American Tribe, a consortium of Tribes, or an entity controlled by a Tribe, or is licensed to a community within recognized Tribal Lands and provides a coverage area of which a substantial portion includes Tribal Lands.

*In markets where audience measurements (i.e., Arbitron) are not available or such measurements are based on a total cumulative audience of 5,000 or less, CPB will use the minority composition of the CAP within the station’s primary coverage area. Under these circumstances, a station can be recognized as a minority audience service station if its CAP minority composition is greater than fifty percent (50%).

27. News (“News”): Stations airing news for 75% of their broadcast schedule from 6:00 a.m. to 7:00 p.m. Monday – Friday.

28. Non-Federal Financial Support (“NFFS”): The total value of cash and the fair market value of property and services received from sources other than the United States or any agency or instrumentality of the United States or any public broadcasting entity, as further defined in 47 U.S.C. § 397(9). Additional details concerning what qualifies as NFFS are contained in the Financial Reporting Guidelines (which are available at <http://www.cpb.org/stations/frg/>).

29. Station Activities Survey (“SAS”): The survey stations applying for a CSG must complete that assists CPB in calculating that station’s potential community service grant for the following year. Grantees must complete the survey in order to receive their second FY2014 CSG payment.

30. Sole Service: Stations that operate the only primary broadcast service (radio or television, commercial or non-commercial) within a fifty (50) mile radius from the station's transmitter. Licensees operating multiple services (radio/radio, radio/television) serving the same community may qualify as a single sole service Grantee.

Translators do not qualify as sole-service stations because of their secondary status. The presence of a secondary service licensed to another entity shall not preclude an applicant from qualifying for a sole-service grant. Sole Service stations are deemed CSG Level A stations.

31. Total Station Revenue ("TSR"): it the total of the following: Line 12 (total direct revenue), Line 16 (total in-kind revenue), and indirect administrative support reported in station's AFR.

Section 2. Eligibility Criteria

A. Eligible Grantee: An "Eligible Grantee" is:

1. A Grantee that received a CSG in FY 2013 and meets or exceeds the eligibility criteria set forth in this Section 2, the Communication Act Requirements set forth in Section 3, and the Operational Requirements set forth in Section 5; or
2. Any licensee of a full-power non-commercial educational radio station operating under a valid renewable license issued by the United States government will receive a FY2014 CSG if:
 - (a) that station meets or exceeds the eligibility criteria set forth in this Section 2, and the Communication Act Requirements set forth in Section 3, and the Operational Requirements set forth in Section 5 (of which only a limited number shall become Grantees each year); and
 - (b) submits an application during a CSG application window that is deemed qualified by CPB to receive a FY2014 CSG.
3. The following stations are not Eligible Grantees:
 - (a) closed-circuit or carrier current stations;
 - (b) stations that are managed and operated by and for students;
 - (c) stations that primarily provide training programming to licensee employees, clients, and/or representatives; and/or
 - (d) stations licensed to political organizations.

B. Additional Eligibility Criteria: Grantees in the categories below are subject to the following additional eligibility criteria:

1. **Joint Licensees:** Licensees eligible to receive both a TV CSG and one or more CSGs must meet the eligibility criteria and operating requirements for both radio

and television CSGs. Joint Licensees shall not count the same monetary and staffing resources to qualify for different CSGs.

2. **Licensees Receiving Multiple Radio CSGs:** Such licensees must meet the eligibility criteria and operating requirements for each CSG without counting the same monetary and staffing resources to qualify for different CSGs.
3. **Overlapping Stations:** When a licensee owns more than one public radio station whose signals overlap by fifty percent (50%) or more, the licensee must consolidate the overlapping stations as a single CSG Grantee. Signals overlap by more than fifty percent (50%) when a majority of the CAP of one station is served by one or more other stations. A station's coverage area is defined by the primary signal coverage standard of 1mV/m (60 dBu) for FM and 5mV/m (73.979 dBu) daytime, ground wave for AM.

- C. **Maintaining Eligibility:** As the legal entity to which CPB is authorized to make a CSG, a station's licensee is responsible for maintaining the station's eligibility, complying with General Provisions and Eligibility Requirements, and notifying CPB as soon as possible when it fails to maintain the same.

Grantees found to be noncompliant with the CSG General Provisions and Eligibility Criteria may have their current or future CSG reduced or eliminated. In addition, for each day any or all of the following documents are late, CPB reserves the right to reduce the Grantee's next payable CSG by an amount of up to 1/365th.

- Certified Annual Financial Report;
- Annual Financial Summary Report;
- Audited Financial Statements (if applicable); and/or
- Annual Station Activities Survey.

- D. **CPB Waiver:** CPB may, in its sole discretion, waive a non-statutory eligibility criterion listed in these General Provisions and Eligibility Criteria in exceptional circumstances, such as upon a station demonstrating that it provides the sole broadcast service in its community or a broadcast service that primarily serves underserved or unserved audiences.

Section 3. Communications Act Requirements

As a condition of accepting this CSG, Grantee must certify that they currently comply, and agree that they will continue to comply throughout the term of this CSG, with all relevant provisions of the Communications Act. Below is a summary of the Communications Act requirements with which Grantees must certify their compliance to CPB. This summary does not supersede other provisions of the Act or other laws and regulations applicable to Grantees.

The Communications Act requires all station Grantees receiving a CSG certify their compliance with the following provisions:

- Grantee’s board meetings, board committee meetings and advisory body meetings be open to the public (*see* 47 U.S.C. § 396(k)(4));
- Grantee’s annual financial statements and audit reports be available for public inspection (*see* 47 U.S.C. § 396(k)(5));
- Grantee complies with FCC rules regarding equal employment opportunities, files annual equal opportunity statistical reports with CPB, and makes such reports available for public inspection (*see* 47 U.S.C. § 396(k)(11));
- Grantee if required, maintains a Community Advisory Board (*see* 47 U.S.C. § 396(k)(8)); and
- Grantee comply with provisions regarding the disclosure of donor information to third parties and prohibiting the rental of donor information to, or exchange such information with, political organizations and/or candidates (*see* 47 U.S.C. § 396(k)(12)).

Section 4. Recordkeeping, Audit and Documentation Requirements

- A. Record-Keeping, Certification and Audit Requirements:** The Communications Act mandates record-keeping and auditing and requires that CPB or its representatives have access to all records concerning a CSG (*see* 47 U.S.C. § 396(l)(3)(B), (C), & (D)).
- B. Operational Records and Documentation:** Operational records and documentation for CSG recipients include: broadcast schedules identifying general audience programming that serves demonstrated community needs of an educational, informational, or cultural nature.
- C. Certificate of Compliance:** CPB requires Grantees to annually certify their compliance with the General Provisions and Eligibility Criteria. Compliance is subject to audit by the Inspector General, and improper certification may result in penalties under the Federal False Claims Act.
- D. Discrete Accounting Requirement:** Grantees must comply with the Discrete Accounting Requirement and maintain proper documentation to support all FY 2014 CSG revenues and expenditures.
- E. Expenditures and Discrepancies:** All CSG expenditures must comply with the provisions of this document, the Communications Act, and all other CSG-related documents and policies. CSGs that cannot be accounted for because of the Grantee’s failure to comply with this requirement may be subject to repayment to CPB. The Grantee shall maintain such records as CPB may in its discretion require to facilitate an effective audit. All CSG records must be retained for no less than ten (10) years after the end of the expenditure period.

In the event of an improper expenditure or any discrepancies or inaccuracies in expenditures, whether reported by the Grantee or discovered during the course of an

audit, CPB may, in its discretion, reduce the grant as appropriate. If a reduction is warranted, CPB may elect in its discretion to recover overpayment by reducing 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 action(s) it intends to take.

- F. Equal Opportunity:** The Communications Act requires that each licensee or permittee of a public broadcast station with more than five full-time employees to file with CPB an annual statistical report that: (1) 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 (2) 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 SAS, which all CSG recipients 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 5. Operational Requirements

Grantees must comply with the operational requirements below.

- A. Compliance with FCC Operating Requirements:** Each Grantee must comply with all FCC requirements for the operation of a non-commercial educational radio station throughout the expenditure period. Failure to comply with FCC Rules and the terms of the station's broadcast license may, in CPB's discretion, result in the loss of CPB funding.
- B. Operating Power:** The Grantee must operate a broadcast station that has an ERP 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. However, AM stations that 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 remain eligible if: (1) the station meets all other grant-specific criteria, and (2) CPB determines, in its sole discretion, that issuance of a CSG would further CPB's statutory goals of universal service and providing service to unserved and underserved audiences.
- C. Broadcast Schedule:** Grantee's station with the primary signal must have a minimum broadcasting schedule of eighteen (18) consecutive hours per day, seven (7) days per week, and fifty-two (52) weeks per year. Shared-time stations are not required to operate in excess of their authorized time in order to meet this criterion. CPB, in its sole discretion, may award CSGs in accordance with paragraph B, above, to AM stations that are restricted by the terms of their licenses to less than the minimum broadcast schedule required by the CPB policy.

The substantial majority of the Grantee's daily total programming hours broadcast on its primary channel and the substantial majority of the station's daily total programming

hours broadcast on all of its additional multicast channels must be devoted to CPB-Qualified Programming.

D. Locally Originated Program Service: Grantee must originate a local program service designed to serve the community’s needs and interests.

E. Facilities: The Grantees must have 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 Grantees must provide sufficient office space suitable for station operations.

F. Employment Requirement:

1. FY2014 CSG Grantees must comply with the following minimum staffing requirements:

Community Service Grant	Minimum Staffing
Level A	None
Level B	One Full-Time Employee
Levels C and D	<p>Four Full-Time Employees, which may be met with a combination of Full-Time Employees and FTEs, so long no less than 2 employees are Full-Time Employees.</p> <p>All Full-Time Employees and FTE’s must work on an annual (12-month) basis.</p> <p>At least two Full-Time Employees must be employed in a managerial and/or programming position.</p>

2. Positions funded by the CSG may not be counted in fulfillment of required Full-Time Employee or FTE professional radio station staff.

3. Custodial and clerical staff, students whose student status is a condition of employment, interns, and persons enrolled in programs of formal on-the-job training shall not be counted as satisfying the full-time or FTE employment requirement nor shall personnel teaching or fulfilling other academic duties in excess of the equivalent of one three-hour credit course per quarter or semester.

4. MASS Grantees may count FTE staff toward the Full-Time Employee staffing requirement.

G. Minimum NFFS: The Grantees that do not meet the required minimum NFFS for their CSG Level (shown in the table below) for two consecutive years automatically lose their future CSG eligibility, as set forth below.

1. **Minimum NFFS Requirements:** Each recipient of a FY2014 CSG must meet the

minimum NFFS requirement below for its CSG Level, using Grantee’s 2012 fiscal year AFR or FSR (whichever is applicable).

CSG	Minimum NFFS
Level A	None
Level B	\$100,000
Levels C and D	\$200,000

2. **1st Notice:** If a Grantee receiving a FY2014 CSG fails to satisfy its minimum NFFS requirement based on Grantee’s 2012 fiscal year AFR or FSR (whichever is applicable), CPB will provide the Grantee with written notice of the same (1st Notice). After receiving the 1st notice, the Grantee will continue to be eligible to participate in the community service program.
3. **2nd Notice:** If after receiving a 1st Notice, the Grantee applies for a CPB FY2015 community service grant, and is unable to meet its minimum NFFS required based on Grantee’s 2013 fiscal year AFR or FSR (whichever is applicable), CPB will notify Grantee in writing of its continued failure to comply (2nd Notice). After receiving the 2nd Notice the Grantee will continue to be eligible to participate in the community service program.
4. **Ineligibility:** If after receiving a 1st and 2nd Notice, Grantee applies for a FY2016 community service grant, and is unable to meet its minimum NFFS based on Grantee’s 2014 fiscal year AFR or FSR (whichever is applicable) Grantee will automatically become ineligible to receive a CSG in FY2016 and will be removed from the CSG program. CPB will notify Grantee in writing of its ineligibility.

However, if said Grantee meets its minimum NFFS based on Grantee’s 2014 fiscal year AFR or FSR (whichever is applicable) Grantee will continue to be eligible to participate in CPB’s community service programs.

5. **Recurring Non-Compliance:** If a Grantee, after receiving a 1st and 2nd Notice in consecutive years is compliant when filing required AFR or FSR (whichever is applicable), for the FY2016 community service grant, but unable in any of the subsequent 4 CPB fiscal years (FY2017 through FY2020), to meet its required minimum NFFS for that period, Grantee will be given either 1 or 2 additional years, to become compliant.

After considering Grantee’s situation, CPB will in its sole discretion determine whether Grantee will receive 1 or 2 additional fiscal years to be compliant. If Grantee is not compliant at the end of the selected time period, Grantee will automatically become ineligible to receive a CSG.

6. **Summary Table:** The table below summarizes the CSG notice and compliance requirements.

Notice and Compliance	Eligible to Participate in Community Service Grant Programs	Ineligible to Participate in Community Service Grant Programs
Received 1 st Notice – comply or fail to comply	√	
Received 2 nd Notice - comply or fail to comply	√	
Received consecutive 1 st and 2 nd Notices – fail to comply thereafter		√
Received consecutive 1 st and 2 nd Notices - fail to comply anytime during FY2016-2019		√

H. Audience Service Criteria (“ASC”): ASC measures the level of service provided to a community by Grantees, detailed in the tables below entitled “Listening Index Requirements” and “Listening Index and Community Financial Support Goals”.

- 1. MASS GRANTEES:** In order to receive a CSG, MASS Grantees must meet at a minimum fifty percent (50%) of at least one of the applicable index goals in the tables below. MASS Grantees failing to satisfy the applicable ASC when applying for a FY2014 CSG are subject to the restrictions and loss of CSG eligibility as detailed below.
- 2. CSG LEVEL A:** CSG Level A Grantees are not subject to the indices in either table.
- 3. CSG LEVELS B, C AND D:** CSG Levels B, C, and D must meet either:
 - a. the News or Non-News Listening Index Goals set forth in the table below, and associated with Grantee’s CAP; or
 - b. the News or Non-News Community Financial Support Index Goals set forth in the table below, and associated with Grantee’s CAP.

CSG Level B, C, and D Grantees failing to satisfy the applicable ASC when applying for a FY2014 CSG are subject to the restrictions and potential loss of CSG eligibility as detailed below.

Listening and Community Financial Support Index Requirements		
FY2014 Listening Index	OR	FY2014 CFS Index
Average AQH *10000		CFS *100

CAP		CAP
MASS Grantees need only meet one half of the applicable index. CSG Level A Grantees are not subject to the Index Requirements.		

Listening Index Goals and Community Financial Support Index Goals				
Coverage Area Population	Listening Index Goal		Community Financial Support Goal	
	News	Non-News	News	Non-News
> 5 million	13	7	50	14
1 - 5 million	17	10	56	27
500,000 - 1 million	21	13	57	42
< 500,000	10	10	89	108

4. 1st ASC Notice: A Grantee that fails to satisfy the applicable ASC when applying for the FY2014 CSG and:

- has not failed to meet the applicable ASC when making application for a community service grant during any of the prior 4 years;
- the Grantee will be required to use ASC Funds to cover all or a portion of the cost of Compliance Projects; and
- the Grantee will remain eligible for a community service grant after receiving the 1st ASC Notice, provided all other requirements are met.

CPB will notify the Grantee of said failure, which is deemed the Grantee’s 1st ASC Notice (1st ASC Notice). After receiving the 1st ASC Notice, the Grantees continue to be eligible to receive a community service grant.

5. Recurring Notices & Exception: If the Grantee fails to satisfy the ASC when applying for the FY2014 CSG and:

- has failed to meet the applicable ASC when making application for a community service grant during one or more of the prior 4 years;
- the Grantee will be required to use ASC Funds to cover all or a portion of the cost of Compliance Projects; and
- the Grantee will remain eligible for a community service grant after receiving the 2nd ASC Notice, provided all other requirements are met.

However, for said Grantees, CPB reserves the right, after reviewing the circumstances surrounding the Grantee’s operations, to determine in its sole discretion, whether Grantee shall be considered as a recipient of a 1st or 2nd ASC Notice (2nd ASC Notice), notifying the Grantee of the same. In this situation, the

Grantees will remain eligible to receive a community service grant, provided all other requirements are met.

- 6. Loss of Eligibility:** The Grantees that have received a 2nd ASC Notice when applying for a FY2014 CSB, and fail to satisfy the applicable ASC requirement when applying for an FY2015 community service grant, will no longer be eligible to participate in the community service grant program.
- 7. Recover Eligibility:** The Grantees which have lost their eligibility to receive a community service grant because of failing to meet the applicable ASC requirements, may be permitted to participate in future community service programs, if CPB in its sole discretion approves the same, and Grantee:
- makes successful application to the current community service grant program;
 - meets the then applicable ASC requirements;
 - is found by CPB to be in compliance with all relevant provisions of the current community service grant program; and
 - is not barred from applying to the program by a CPB management determination in response to an audit by the Inspector General.
- 8. Summary Table:** The table below summarizes the CSG notice and compliance requirements.

ASC Notice and Compliance	Notice	Subject To Compliance Spending	Eligible to Participate in Community Service Grant Programs	Ineligible to Participate in Community Service Grant Programs
Received 1 st Notice – no failure in prior 4 years	1 st	√	√	
Received 1 st Notice – failed in prior 4 year	2 nd (unless CPB deems otherwise)	√	√	
Apply FY2015 CSG – received consecutive 1 st and 2 nd Notices and fail to meet FY2014 ASC requirements				√

- 9. Compliance Project Expenditures:** The types of expenditures that qualify for Compliance Projects include but are not limited to the following:

- internal or external analyses of station operations;
- acquisition of audience research;
- investments in new local or national programming;
- investments in new staff, provided the staff are not used to meet the minimum staff requirement necessary for CSG eligibility); and
- investments in increasing or improving development efforts.

10. Reporting Compliance Project Spending: The Grantee will be required to report on the nature and scope of the Compliance Projects undertaken within the timeframe established by CPB, and provided in writing to CPB.

I. Diversity of Staff and Board: As of September 30, 2014, each Grantee must have:

1. Established a formal goal of diversity in its workforce, management and boards, including community advisory boards and governing boards having governance responsibilities specific to or limited to broadcast stations; and
2. Implemented the following initiatives to achieve that goal:
 - a. Reviewed with the station's governing board or licensee official those practices that are designed to fulfill the station's commitment to diversity and to meet the applicable FCC guidelines (*see* 47 C.F.R. § 73.2080);
 - b. Each radio CSG Grantee will prepare and post to its website **no later than September 30, 2014** a brief statement (about 500 words) that reflects on the following points:
 - The elements of diversity (e.g., gender, race, culture, religion, language, generation) that the Grantee finds important to its public media work
 - The extent to which its staff and governance reflect such diversity
 - The progress the recipient has made to increase its diversity in the last two to three years and its diversity plans in the coming year.
3. In addition, Grantees shall undertake one of the following initiatives on an annual basis:
 - a. Include individuals representing diverse groups in internships or work-study programs designed to provide meaningful professional level experience in order to reflect the diversity of the communities they serve and further public broadcasting's commitment to education;
 - b. Include qualified diverse candidates in any slate of candidates for elected governing boards that the Grantee controls;
 - c. Implement a diversity training program for members of the organization's governing body or board of directors on an annual basis;
 - d. Participate in minority or other diversity job fairs; or

- e. Implement formal diversity training programs for management and appropriate staff.
 - 4. Finally, Grantees are strongly encouraged to interview at least one qualified diversity candidate for each senior leadership position hire. The term senior leadership position- includes: CEO, COO, CFO, Chief Content Officer, General Manager, and other equivalent positions.
- J. Transparency: By no later than December 31, 2013**, each Grantee must have on its website, if it has one, or make available through another affiliated website (public media related or licensee related) if it does not have a standalone website:
- 1. A list of station senior/executive management (names and titles) and contact information;
 - 2. A list of the members of its Board of Directors;
 - 3. A list of the members of its CAB (for stations that maintain a CAB either by requirement or by choice);
 - 4. The date, time, and place of all open meetings as determined by the Communications Act (*see* 47 U.S.C. § 396(k)(4));
 - 5. Its most recent Audited Financial Statements;
 - 6. Information about how to obtain copies of annual financial reports;
 - 7. If Grantee files its own IRS Form 990, the most current IRS Form 990;
 - 8. If Grantee is not required by the IRS to file an IRS Form 990, compensation information, unless prohibited by law, comparable to the information outlined in the IRS Form 990 Part VII A, and contractor compensation in IRS Form 990 Part VII B;
 - 9. Its annual report on local content and services included in the Grantee’s 2013 SAS (to be completed in early 2014) on its content and services that serve local needs, and analysis about the reach and impact of the local services in its community.
- K. Donor Privacy:** As of September 30, 2013, each Grantee must meet all applicable Federal and State laws and regulations regarding donor privacy and data security.

Section 6. Use of Grant Funds and Restrictions

- A. Purposes:** CSGs are to be used to support the Grantee’s capability to expand the quality and scope of its services to the community. As required in the Communications Act, “[t]he funds distributed . . . may be used at the discretion of the recipient for purposes related primarily to the production or acquisition of programming” (*see* 47 U.S.C. §

396(k)(7)). Grantees must also comply with the Discrete Accounting Requirement.

1. **Discretionary Portion of the CSG:** For all CSG Levels, the discretionary portion of the CSG 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 recipient for purposes related primarily to the production or acquisition of programming.” At the end of the CSG expenditure period, Grantees must comply with the Discrete Accounting Requirement.

Expenditures from the discretionary, or unrestricted, portion of the CSG must fall into one of the following seven categories:

- (1) Programming, Production and Services
- (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

(a) Programming, Production and Services

Programming and Production: This function consists of the production and/or acquisition of programming and conducting program operations. This includes such functions as program development, program planning, production operations, and editing. Below is a list of some activities whose costs, including salaries and benefits for personnel engaged in the activities (and not used to satisfy the Employment Requirement, Section 5(F)), should be included in this classification:

- Fees or dues to acquire 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; and
- Depreciation and amortization of station equipment and leasehold improvements used.

Educational Programs: Grantees must clearly identify the percentage of CSG funds used to create or purchase programs with educational intent or instructional design. “Educational intent” is defined as content designed to address specific educational interests of a target audience. “Instructional

design” is defined as having educational intent and 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, re-versioning, 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 may include, but are not limited to: local or national services that enable 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 the dissemination of related information and materials.

(b) Broadcasting, Transmission and Distribution: This function primarily includes 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 (and not used to satisfy the Employment Requirement, Section 5(F)), should be included in this classification:

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

(c) Program Information and Promotion: This function consists of informing the viewing or listening public of available program services. Below is a list of some activities whose costs, including salaries and benefits for personnel engaged in those activities (and not used to satisfy the Employment Requirement, Section 5 (F)), should be included in this classification:

- Producing or acquiring “spots” designed for the promotion of specific programs;
- Advertising in newspapers or other media;
- Preparing, reproducing, and distributing program guides;
- Travel and related expenses of promotion;
- Dues or fees related to this function; and
- Supporting services.

(d) Fundraising and Membership Development: Fundraising and Membership Development 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 (and not used to satisfy the Employment Requirement, Section 5 (F)), should be included in this classification:

- Solicitation of underwriting funds and grants;
- Membership development;
- Acquiring and distributing fundraising material;
- Designing, printing, and distributing leaflets or posters for fundraising;
- Meetings for 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; and
- Direct costs of special fundraising activities and auctions.

(e) Underwriting and Grant Solicitation: Underwriting development consists of soliciting program underwriting funds and general support grants from foundations, corporations, or governments.

(f) Management and General: This function consists of supervising and controlling overall day-to-day operations, including accounting and office service activities. It also includes the indirect costs of resources and activities whose costs are not directly identified with another function, but which are indispensable to the conduct of those functions and to an organization's existence. This includes expenses for the overall direction of the entity's general board activities, business management, general record-keeping, budgeting, and related purposes. Below is a list of some activities whose costs, including salaries and benefits for personnel engaged in those activities (and not used to satisfy the Employment Requirement, Section 5 (F)), should be included in this 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 (*e.g.*, 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, CAB, or administrative committee meetings;

- Depreciation of buildings, furnishings, and equipment used in management and general functions; and
- Dues for public broadcasting station membership organizations.

(g) 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:** For all CSG Levels, the restricted portion of the CSG must be spent on national program production and acquisition. These funds must be used as specified in Section 396(k)(3)(A)(iii) of the Communications Act, 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.”

The restricted portion of the CSG must be used exclusively for the acquisition, production, promotion, and/or 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 into one of the following four categories:

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

- a. 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.
- b. Program and Content Acquisition:** Expenditures include payments to public broadcasting entities that act as producers and/or distributors for national programs. Expenditures also include direct payments to acquire programs from all other producers (commercial and nonprofit) including independents acting as their own distributors, provided that the

programming conforms to CPB requirements.

- c. 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.
- d. 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.

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

B. Restrictions:

1. No CSG funds shall be used for purposes of conducting any reception or providing any other entertainment for any officer or employee of the federal government or any state or local government.
2. No CSG shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress or any State legislature itself.
3. No CSG funds shall be used to pay the salary or expenses of any Grantee, or agent acting for such Grantee, related to any activity designed to influence any legislation or appropriation before Congress or any state legislature.
4. No CSG funds may be expended on the production, acquisition or distribution of programs, unless they are CPB Qualified Programming.
5. The Grantee may not impound or otherwise withhold or inappropriately restrict the use of CSG funds by the station(s) or reduce its support to the station(s) as a result of the Grantee's receipt of CSG funds.
6. CSG funds may not be used to offset a licensee's overhead or for any other expenses not directly related to the operation of the station(s), except to the extent that such overhead and expenses are enumerated in the Operational Requirements, Section 5(A).
7. CSG funds and proceeds from the sale of assets acquired with CSG funds must be used solely for the benefit of the public broadcast station.

8. Full-time station personnel whose salaries are paid using CSG funds must exercise full-time responsibilities over broadcast station operations. Such personnel shall not be required by the Grantee to perform duties unrelated to the operation of the broadcast station(s). For employees whose salaries are partially paid using CSG funds, the portion of salary paid out of such funds cannot exceed the percentage of their time that they spend on broadcast station operations.
9. CSG funds shall not be used by the Grantee for personnel services, programming (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.

Section 7. Payment Schedule and Reporting Requirements

- A. **Payment Schedule:** FY2014 CSGs (all CSG Levels) will be disbursed to the Grantee in two installments. However, each grant payment will be contingent upon the Grantee submitting all of the required forms, reports, and/or other documents as required by CPB.
- B. **CSG Offer Expiration:** The CSG agreement must be properly executed by June 30, 2013 or the grant may be forfeited. If payment is not desired at the time the CSG Agreement is executed, then the Grantee should specify, in writing to isis@cpb.org, the later date on which it would like the funds to be disbursed.
- C. **Reporting Requirements:** To avoid delayed disbursement of FY2014 CSG payments and possible penalty reductions in future CSGs, all required documents and reports must be completed and submitted to CPB in a timely fashion. All financial forms (AFR and FSR) are due within five months after the close of the Grantee's fiscal year. As a condition of receiving the CSG, each Grantee, regardless of level, must also complete and submit the annual SAS. The SAS is fielded in January and February of each year. If the Grantee submits its financial report or SAS past the filing deadline, it will be subject to a financial penalty, which will be deducted from the Grantee's CSG.

Each Grantee must file either a consolidated AFR or FSR. Financial reporting requirements differ based upon the Grantee's CSG Level. See the current version of CPB's Financial Reporting Guidelines. <http://cpb.org/stations/frg/>

1. **CSG Level A or B Grantees:** Each Grantee in CSG Levels A and B must file an FSR. A Grantee in CSG Levels A or B that received Total Station Revenue of \$300,000 or more in the reporting year (*i.e.*, the Grantee's fiscal year) must also file AFS, and its FSR must include an attestation by an independent accountant that the FSR complies with CPB's Financial Reporting Guidelines.
2. **CSG Level C or D Grantees:** Each Level C or D Grantee must file a separate AFR for each radio or TV CSG it receives. Each Grantee in Levels C or D must also file 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 radio or TV CSG.

CSG Level	Grantee TSR	AFS required?	FSR required?	AFR required?
A and B	< \$300,000	No	Yes	No
A and B	>= \$300,000	Yes	Yes	No
C and D	N/A	Yes	No	Yes

Section 8. Expenditure of Funds

- A. Grant Spending Period:** The FY2014 grant spending period extends from October 1, 2013 through September 30, 2015.
- B. Unauthorized Expenditures:** CSG funds shall be used only while the Grantee remains an Eligible Grantee. Grantees shall at all times be in compliance with the General Provisions and Eligibility Criteria for the FY2014 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 the General Provisions and Eligibility Criteria.

Expenditures or uses of CSG funds that are inconsistent with the purposes and restrictions set forth in Section 6, Use of Grant Funds and Restrictions or that are not fully supported by available documentation, as required by Section 3, Communications Act Requirements, paragraph (B), and Section 8, Expenditure of Funds, paragraph (C), shall be considered unauthorized expenditures.

- 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 its files for ten (10) years after the close of the expenditure period, and shall make such documentation available for CPB’s 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 must be returned to CPB pursuant to the requirements set forth in Section 11 Return of Funds concerning the return of funds. Disallowed expenditures include those expressly prohibited by the General Provisions and Eligibility Requirements and other similar restrictions to be determined by CPB, in its sole discretion, from time to time.

Section 9. Extent of CPB Commitment

No commitment, expressed or implied, is assumed by CPB to provide funds in excess of the CSG which Grantee qualifies for and CPB determines is appropriate.

Section 10. Termination

Failure to comply with these General Provisions and Eligibility Criteria and the commitments attested to by the Grantee in the CSG agreement between the Grantee and CPB may result in termination of CSG funding. Upon termination, CPB may, in its sole discretion, require the Grantee to return CSG funds pursuant to Section 11, Return of Funds.

Section 11. Return of Funds

- A. Unused Funds:** All FY2014 CSG funds that are not expended by September 30, 2015 must be returned to CPB on or before November 3, 2015.
- B. Unauthorized Expenditures:** The amounts of all unauthorized expenditures shall be repaid by Grantee to CPB immediately upon CPB's request.
- C. Loss of CSG Eligibility:** CPB, in its sole discretion, may require any recipient of a CSG to return CSG funds, as set forth below.
1. In any of the situations described in paragraph 2, 4 or 5 below, , CPB may require a recipient of a CSG to return the greater of:
 - a. all unexpended CSG funds from grant periods that have not yet expired; or
 - b. the amount equal to the *pro rata* monthly share of the total CSG for all grant periods that have not yet expired multiplied by the number of full months remaining in the grant period(s).
 2. In addition to the amount that CPB may require a CSG recipient to return under paragraph 1 above:
 - a. If any recipient of a CSG effectuates a transfer of control, assignment, or lease of its broadcast license to a non-CSG qualified organization, whether or not effectuated in accordance with Section 12, Assignment, CPB may require the recipient to return an amount not to exceed the greater of (a) twenty percent (20%) of the sale price in the event of a sale, (b) twenty percent (20%) of the amount to be paid under the lease over the course of its term in the event of a lease, or (c) twenty percent (20%) of all CSG funds that have been provided, as calculated on a *pro rata* monthly basis, during the 24-month period preceding the effective date of the Grantee's agreement for transfer of control, assignment, or lease; or
 - b. If any recipient of a CSG ceases to operate a qualified public radio service due to the relinquishment or loss of its broadcast license, CPB may require the recipient to return an amount not to exceed fifteen percent (15%) of all CSG funds that have been provided, as calculated on a *pro rata* monthly basis, during the 24-month period preceding the date on which the relinquishment or revocation becomes final (*i.e.*, no longer subject to administrative or judicial review), provided, however, that if the relinquishment of a broadcast license is

related to a merger or consolidation with another CSG-qualified organization, then CPB's ability to require the return of funds shall be governed by paragraph 3 below rather than this paragraph; or

c. If CPB determines that any recipient of a CSG, for any reason other than those set forth in paragraphs 1 and 1 above, is no longer qualified to receive CSG funds (including but not limited to as a result of a failure to comply with any requirement of these General Provisions and Eligibility Criteria or the imposition by the FCC of limits upon its operations), CPB may require the recipient to return an amount not to exceed fifteen percent (15%) of all CSG funds that have been provided, as calculated on a *pro rata* monthly basis, during the 24-month period preceding the date on which CPB determines that the recipient was no longer qualified;

3. If a Grantee (i) effectuates a transfer of control, assignment, or lease of its broadcast license to a non-CSG qualified organization that as a result of the transfer of control, assignment, or lease desires to become a CSG-qualified organization and is otherwise qualified, or (ii) relinquishes its broadcast license pursuant to a merger or consolidation with another CSG-qualified organization, and (iii) complies with the requirements of Section 12, Assignment, CPB may, in its sole discretion, permit the recipient to assign any of the funds that CPB might otherwise require the recipient to return pursuant to paragraph 1 above to the organization with which the recipient's operations were or are to be merged or consolidated, provided that the recipient demonstrates to CPB's satisfaction that such funds will be used in accordance with these General Provisions and Eligibility Criteria.

4. If any recipient of a CSG effectuates a transfer of control, assignment, or lease of its broadcast license to another CSG-qualified organization and complies with the requirements of this Section, CPB may, in its sole discretion, permit the recipient to assign any of the funds that CPB might otherwise require the recipient to return pursuant to paragraph 1 above to the CSG-qualified transferee or lessee, provided that the recipient demonstrates to CPB's satisfaction that such funds will be used in accordance with these General Provisions and Eligibility Criteria.

D. Procedures for Return of Funds: In all cases in which funds must be returned, checks shall be made payable to the Corporation for Public Broadcasting. CPB reserves the right to offset Grantee's future CSG payment(s) if Grantee fails to return funds due to CPB.

Section 12. Assignment

No rights or obligations under any CSG shall be assigned in whole or in part by the Grantee (including situations where a third party becomes responsible for providing programming for all or part of a station's broadcast schedule or some other aspect of the licensee's broadcast operations) without the prior written consent of CPB. Any entity to which the rights and obligations under a CSG are assigned must comply with all obligations contained in this document and will be required to certify its agreement to do so.

Section 13. Nondiscrimination

- A. The Grantee 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. The Grantee 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. The Grantee further agrees that it will comply with all laws and regulations prohibiting discrimination¹ on the basis of race, color, religion, age, sex, national origin, or physical or mental handicap that may be applicable to the Grantee, including but not limited to the following:
- 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);
 - Equal Pay Act of 1963 (29 U.S.C. § 206);
 - 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
 - FCC's regulations concerning equal employment opportunity (47 C.F.R. § 73.2080).
- C. The Grantee will include the provisions of this Section in all subcontracts and delegations entered into in connection with the CSG.

Section 14. Equal Employment Opportunity

Every Grantee must certify to CPB that it complies with the FCC Rules 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 Rules, 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 Certification of Eligibility.

Section 15. Other Nondiscrimination Requirements

- A. **CPB Role and Cooperation with Government Agencies With Respect to Claims of Discrimination:** CPB is a private, nonprofit corporation and does not have the legal authority to investigate and adjudicate complaints alleging discriminatory practices by recipients of its assistance. CPB will, therefore, refer all such complaints received by it to a government agency with jurisdiction to conduct any proceedings that may be

¹ CPB board of director's resolution dated February 17, 1974.

appropriate. Further, CPB will cooperate fully with every such agency with jurisdiction to inquire into alleged discriminatory practices by recipients of CPB assistance.

- B. Applicable Laws and Regulations:** 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 Grantee shall inform itself of the laws and regulations applicable to it, and CPB shall not undertake to so inform the applicant or Grantee, unless a law or regulation requires that CPB do so, and then CPB shall undertake to inform the applicant or Grantee only to the extent the law requires.
- C. Suspension or Cancellation of CPB Assistance:** Whenever a court or government agency with jurisdiction shall make a determination that a Grantee 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 Grantee that unless the Grantee demonstrates to CPB's satisfaction, within 30 days, that the violation has been corrected or that the Grantee is in compliance with all provisions of such determination, CPB shall suspend or cancel all assistance to the Grantee.

Whenever such 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 Grantee that, unless the Grantee 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 have been payable to the Grantee shall be held by CPB pending completion of the appellate process, and CPB shall not suspend or cancel its non-financial and/or in-kind assistance during the appeal.

A Grantee, 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 or a CSG from CPB, unless Grantee demonstrates to CPB's satisfaction that the violation has been corrected, or that Grantee is in compliance with all remedial provisions of such final determination.

Section 16. Governing Law and Jurisdiction

Except as otherwise required by law, the Grantee agrees that the CSG and all instruments between the Grantee and CPB executed pursuant thereto shall be construed under the laws of the District of Columbia. Notwithstanding the jurisdiction of any other court, the Grantee 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, any supplement thereto, or any matter arising there from. The Grantee further agrees that in any action or proceeding commenced in any court in the District of Columbia, the Grantee shall be deemed to have been duly served with process of such

court when process is delivered to the Grantee personally or by certified or registered mail (return receipt requested), within or outside of the District of Columbia.

Section 17. Amendment

CPB reserves the right to amend these General Provisions and Eligibility Criteria solely at CPB's discretion. If these General Provisions and Eligibility Criteria are amended, CPB will notify all CSG Grantees of such amendment. All CSG Grantees will be deemed to agree to comply with the terms of the amended General Provisions and Eligibility Criteria unless a CSG Grantee notifies CPB otherwise in writing within 30 days of receipt of the aforementioned CPB notification. Upon receipt of such notification from the CSG recipient, CPB will no longer consider the CSG Grantee to be eligible for a CSG, and the CSG Grantee will be removed from the CSG program. The former CSG recipient shall be entitled to keep the greater of: (i) all CSG funds expended as of the date CPB notified the Grantee of the amended provisions or (ii) a pro-rata share of the CSG amount (based on the applicable expenditure period) for each day before the date of the document notifying CPB that the CSG Grantee no longer agreed to comply with the amended Provisions. CSG Grantees agree that if they leave the CSG program pursuant to the provisions of this paragraph, they will immediately repay CPB any remaining CSG funds (expended or unexpended) that they have received that are above the amount they are entitled to keep, in addition to any other funds that CPB may elect to require the return of pursuant to Section 11, Return of Funds.

II. FY2014 Radio Station Collaboration Program

The Radio Station Collaboration Program (“SCP”) is designed to support Community Service Grant recipients that have entered into new collaborative agreements with other CSG recipients to significantly increase public service and long term financial viability.

To that end, a larger base grant² will be awarded to stations that engage in qualified collaborations and consolidations that will result in greater overall impact for public radio through:

- Greater investments in direct audiences services, including local content creation, and more cost-effective investment in infrastructure
- Greater capacity and more efficient scale to maximize station resources and assets
- Effective use of technology to increase effectiveness and reduce costs
- Increased revenue and long term sustainability

Funded stations will be engaged in one of the following collaborative activities:

- Multi-Station Consolidations (*see* Part A, Section 1, below), or
- Multi-Station Operational and/or Development Collaborations (*see* Part B, Section 2, below)

Recipients of SCP funding are subject to all provisions of the radio Part I, General Provisions and Eligibility Criteria, and the terms set forth in Part I are incorporated herein by reference. Applicants should consult the same when reviewing the provisions below. Increased CSG funding provided through the SCP must be expended in accordance with the General Provisions and Eligibility Criteria.

PART A. Multi-Station Consolidations

Multi-Station Consolidations (“MSCs”) involve multiple stations (radio-radio or radio-TV) combining into a functional and operational organization under common management through a merger, transfer of the license(s) to the integrated organization, or a long-term Public Service Operating Agreement (“PSOA”). Subject to any necessary approvals from the Federal Communications Commission (“FCC”), an MSC will result in integration of the parties’ management, staffing, and operations.

SECTION 1. ELIGIBILITY

- A. Eligibility Requirements:** To receive increased CSG base grant funding as a result of participation in an MSC, applicants must have executed a consolidation agreement that

² In addition to the base grant, CSG recipients may be eligible to receive other types of CSG grants, for example incentive and rural support grants.

results in the creation of a new operating entity or management arrangement (the “Consolidation Agreement”) and is designed to expand the quality and scope of the applicants’ services to the community. The duration of a Consolidation Agreement must be no less than six years. The Consolidation Agreement must have gone into effect no earlier than January 1, 2013, but prior to the end of the application period.

B. Minimum Criteria: Eligible Consolidation Agreements must include a minimum number of CSG recipients with a minimum NFFS (“MSC Eligible recipients”) as follows:

MINIMUM # OF RADIO CSG RECIPIENTS*	MINIMUM COMBINED RADIO CSG RECIPIENT NFFS*	MINIMUM INDIVIDUAL RADIO CSG RECIPIENT NFFS*
2	\$6 million	All participating radio CSG recipients must have individual NFFS of no less than \$1.5 million.
3	\$3 million	All participating radio CSG recipients must have individual NFFS of no less than \$1 million.
4 or more	\$1 million	N/A

*CPB may consider awarding additional CSG funds to MSCs that do not meet the minimum criteria set forth in the table above if the resulting MSC results in maintenance of a public radio service that is the only public radio service for more than 90% of the coverage area of one or more participating station.

1. Each CSG recipient participating in an MSC must maintain its individual CSG qualification to remain a separately qualified Grantee within the CSG program pursuant to Part I.
2. Subsequent loss of Grantee status by an MSC participant due to voluntary withdrawal from the radio CSG program or pursuant to radio General Provisions and Eligibility Criteria restrictions for overlapped signals will not invalidate an MSC, so long as the former Grantee and all remaining qualifying Grantees continue to participate in the MSC.
3. An MSC must contain the minimum number of MSC Eligible recipients to be considered for funding, regardless of how many total stations participate in the MSC.

4. **NFFS minimums will be calculated based on total NFFS as reported on each individual CSG recipient's FY2012 Annual Financial Report or Financial Summary Report.** In MSCs that include a TV CSG recipient, the NFFS minimum will be calculated based solely on the radio CSG Grantees' NFFS. In addition, only the radio participants can receive SCP funding.
- C. **Eligibility Period:** Funding will be provided as an increase to stations' annual CSG base grant for up to three grant years. Stations granted funds in FY2014 that wish to receive SCP funding in FY2015 and FY2016 will be required to certify each grant year that all elements of the Consolidation Agreement remain intact, and that the related operating entity and structure remain in place. Any substantive change to the nature and/or structure of a qualifying MSC, including the withdrawal or removal of a participant, must be immediately reported by email to Deborah Carr, Director, CSG Radio Administration: carrd@cpb.org (or the individuals CPB subsequently designates). Material changes to the nature and/or structure of a qualifying MSC may impact a station's eligibility for continued funding under these guidelines.

SECTION 2. APPLICATION

- A. **Application Period:** Radio CSG recipients may submit one shared SCP application by **December 5, 2013** to receive additional SCP funding in FY2014. If funds are available, the application deadline for the next grant round is tentatively set for May 15, 2014.
- B. **Application Submission:** Applicants must submit applications via email to carrd@cpb.org and six print and bound copies via mail to:

Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004-2129
Attn: Deborah Carr, Director, CSG Radio Administration

The application materials must include the following information in the order indicated:

1. **Cover Sheet:** A completed application cover sheet, which can be found under "additional information" on the right hand side of the following website: <http://www.cpb.org/stations/grants/radio/collaboration.html>.
2. **Ratified and Implemented Agreement:** A copy of the Consolidation Agreement, ratified by each radio CSG recipient's governing body and signed by each station's Board Chair, University President or the most senior institutional official authorized to enter into such agreements.
3. **Local Service Plan ("LSP"):** An agreed upon plan that lays out the goals, budgets, costs, benefits, and organizational structure of the MSC, and clearly defines roles for key staff. The LSP must include, at a minimum:
 - a. A narrative that states and explains the goals of the MSC and the benefit(s) that implementation of the Consolidation Agreement will

provide to the collective communities (*i.e.*, service areas of the stations involved) and to the overall public radio system.

- b. Pro forma budgets for the first five (5) years of the MSC.
- c. An explanation of the financial costs and benefits to each participant before and after the MSC that demonstrates its expected sustainability.
- d. Staff and board organizational charts of each participant before and after the Consolidation Agreement is implemented, which: (i) identify the changes in board, staff and reporting responsibilities that will occur as a result of implementation; and (ii) demonstrate that the implementation will result in the creation of a new operating entity or management arrangement.

4. **FCC Approvals:**

In General: Evidence that all required FCC approvals have been obtained (*or a certification that no such approval is required*) and a copy of any applications, agreements, or other documents filed with the FCC pertaining to the Consolidation Agreement.

FY2014 Grant Period: For SCP applications submitted on or before November 15, 2013, stations may submit copies of applications or other filed documents without evidence of FCC approval, but must certify that any required application(s) remain pending before the FCC and notify Deborah Carr, Director, CSG Radio Administration at: carrd@cpb.org (or the individuals CPB subsequently designates) within five (5) business days of the FCC's grant or denial of any such application(s). In the event that the FCC denies an application necessary to allow implementation of the Consolidation Agreement, the applicants will be deemed ineligible for SCP funding and required to return any disbursed funds pursuant to Part I, Section 11 Return of Funds.

SECTION 3. EVALUATION

SCP applications based on MSC activities will be evaluated based on the submission of all required documents by the application deadline and their compliance with the eligibility requirements in Section 1.

SECTION 4. AMOUNT OF ADDITIONAL CSG FUNDING

For each Consolidation Agreement, all Radio CSG recipients participating in the MSC will receive a CSG total base grant of \$150,000 in FY2014. Continued funding for FY2015 and FY2016 will be predicated on all elements of the Consolidation Agreement, including participants, remaining in place. Grantees will be required to certify annually their Agreement still meets the requirements.

If a Consolidation Agreement results in the loss of Grantee status by one or more stations within an MSC during FY2014 due to voluntary withdrawal from the CSG program or pursuant to CSG policy restrictions for overlapped signals, a percentage of the SCP funding designated to the withdrawing station will be granted to the remaining radio CSG recipient(s) consistent with base grant phase-out policy as follows:

*Base Grant Phase Out					
Assumptions:					
<ul style="list-style-type: none"> • Station X qualifies for a \$150,000 SCP in FY2014 and withdraws from the CSG program in FY2014. • The remaining MSC Stations will receive Station X’s SCP for 3 years, and Station X’s CSG base grant for 2 years thereafter. • Station X’s CSG base grant is \$50,000 in FY2017- FY2018. • Station X does not qualify for any increased CSG in FY2017-18 pursuant to an incentive or rural station support. 					
	FY2014	FY2015	FY2016	FY2017	FY2018
SCP Re-Granted to remaining MSC Stations:					
Percentage	100%	80%	60%	NA	NA
Amount	\$150K	\$120K	\$90K	NA	NA
CSG Re-Granted to remaining MSC Stations:					
Percentage	NA	NA	NA	40%	20%
Amount	NA	NA	NA	\$20,000	\$10,000

*Estimate based on FY13 appropriation for illustration purposes only.

The withdrawing station’s SCP funds will be paid to the remaining participating radio CSG recipient(s) in addition to any SCP funding the stations not withdrawing are entitled to. Where there is more than one remaining radio CSG Recipient in the eligible MSC, the phase-out funding will be divided equally among them.

If Grantee status is lost in subsequent years, the phase-out schedule will be adjusted based on the year in which the loss of Grantee status occurs, and as CPB determines.

However, loss of Grantee status under these circumstances will not invalidate an MSC, as long as all remaining SCP Eligible recipients otherwise maintain their CSG eligibility, as provided in Section 1 above.

1. SCP recipients will be eligible for a maximum of three years of SCP funding as a participant in one eligible MSC, Multi-Station Operational Collaboration (“OC”), and/or Multi-Station Development Collaboration (“DC”). Participation in hybrid, multiple or subsequent MSCs, OCs, or DCs will not entitle any SCP recipient to funding beyond the \$150,000 annual base grant funding for up to three years.
2. SCP funding will be available during the time period outlined above only for the eligible radio CSG recipients participating in the MSC at the time the SCP funding is granted. Any CSG recipient added to an MSC subsequent to such funding determination will not be eligible for SCP funding based on its participation.

SECTION 5. RESTRICTIONS

The restrictions listed in the General Provisions and Eligibility Criteria apply to supplemental funding issued pursuant to the SCP.

SECTION 6. RETURN OF FUNDS

- A. **Removal From Agreement:** If (i) any participating Radio CSG recipient is voluntarily or involuntarily removed from the Consolidation Agreement during the agreement’s first six years, and (ii) the total number of remaining participants is less than the minimum number of MSC Eligible recipients, then all additional CSG funding (*i.e.*, the difference between the original and increased SCP base grant amounts in the years in which the funds were granted, as stated on a station’s Grant Offer) provided through the SCP to the participants in that Consolidation Agreement, whether spent or unspent, must be returned to CPB. For the purpose of this paragraph, a merger between two or more radio CSG recipients shall not constitute voluntary or involuntary removal of any of the merger parties from the Consolidation Agreement.

CPB reserves the right to determine smaller individual station payback amounts in extraordinary circumstances.

- B. If, notwithstanding the removal of a participating radio CSG recipient, the MSC continues to have the minimum number of MSC Eligible recipients and to meet all other MSC eligibility criteria, only the withdrawing CSG recipient will be required to return funds to CPB. The withdrawing CSG recipient will be required to return all funding it received through the SCP, whether spent or unspent.

In this situation, CPB may require an amended Consolidation Agreement.

- C. **Other Provisions:** The provisions for Return of Funds enumerated in Part I, Section 11 also apply to funding issued pursuant to the SCP.

SECTION 7. ANNUAL CERTIFICATION

Stations that qualify for SCP funding will be required annually to certify that all elements of the Consolidation Agreement remain intact, and that the related operating entity and structure remain in place.

If there are material changes to the management structure of any or all of the functional areas covered by a Consolidation Agreement, CPB may consider such restructuring to invalidate the MSC's continued eligibility for SCP funding, thus triggering the Return of Funds requirements set forth in Section 6 above.

PART B. Multi-Station Operational and/or Development Collaborations

Multi-Station Operational ("OC") or Development ("DC") Collaborations involve separately licensed stations (radio-radio or radio-TV) forming: (1) in the case of an OC, a central operations or administrative service department or organization to handle station operational functions under centralized and combined management; or (2) in the case of a DC, a central development office to handle station membership and underwriting functions under one combined and centralized management structure, subject to any necessary approvals from the Federal Communications Commission .

SECTION 1. ELIGIBILITY

- A. Eligibility Requirements:** To receive increased CSG base grant funding as a result of participation in an OC or DC, applicants must have completed an agreement or collaboration that results in the creation of a new administrative structure (the "Collaboration Agreement") that is designed to efficiently provide human resources, financial services, engineering and IT services, or development services (each of the foregoing services referred to herein as a "Functional Area") to participating stations. The duration of a Collaboration Agreement must be no less than six years. The Collaboration Agreement must have gone into effect no earlier than January 1, 2013, but prior to the end of the application period, and provide that it will be fully implemented by no later than September 30, 2014.
1. An OC must combine and centralize operational and management functions in at least two of the three Functional Areas listed below:
 - Financial services and systems, including:
 - budgeting
 - accounting function and system
 - payroll function and system
 - financial reporting
 - Engineering and IT services, including:
 - broadcast infrastructure maintenance
 - program origination/master control

- IT infrastructure/networking
- Human resources, including:
 - recruitment
 - benefits administration

Each CSG recipient participating in an OC and counting toward the Minimum Criteria in paragraph B below must have employed a minimum of one (1) FTE, excluding station managers, in at least two (2) of the Functional Areas prior to consummation of the Collaboration Agreement. Stations not meeting this requirement will not be eligible for SCP funding based on their participation in the OC.

2. A DC must combine and centralize development functions and provide all of the following to the stations participating in the DC:

- Membership fundraising and systems
- Underwriting and sales management
- Common Contact/Customer Relations Management System (“CRM”)
- Underwriting rate cards
- Interoperable traffic system to schedule on-air credits

Each CSG recipient participating in a DC and counting toward the Minimum Criteria in paragraph B below must have employed a minimum of one (1) FTE in development, excluding station managers, prior to consummation of the Collaboration Agreement. Stations not meeting this requirement will not be eligible for SCP funding based on their participation in the DC.

B. Minimum Criteria: Collaboration Agreements must include a minimum number of CSG recipients with a minimum NFFS (“OC or DC Eligible recipients”) as follows:

MINIMUM # OF RADIO CSG RECIPIENTS	MINIMUM COMBINED RADIO CSG RECIPIENT NFFS	MINIMUM INDIVIDUAL RADIO CSG RECIPIENT NFFS
2	\$6 million	All participating radio CSG recipients must have individual NFFS of no less than \$1.5 million.
3	\$3 million	All participating radio CSG recipients must have individual NFFS of no less than \$1.5 million.
4 or more	\$1.5 million	All participating radio CSG recipients must have individual NFFS of no less than \$300,000. Stations below \$300,000 may be

		included in the OC and DC, and their NFFS will be counted toward meeting the aggregate NFFS minimum.
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1. Each CSG recipient participating in an OC or DC must maintain individual CSG qualification to remain a separately qualified Grantee within the General Provisions and Eligibility Criteria.
 2. Subsequent loss of Grantee status by an OC or DC participant due to voluntary withdrawal from the radio CSG program or pursuant to radio General Provisions and Eligibility Criteria restrictions for overlapped signals will not invalidate an OC or DC, so long as the former Grantee and all remaining qualifying Grantees continue to participate in the OC or DC.
 3. An OC or DC must contain the minimum number of OC or DC Eligible recipients to be considered for funding, regardless of how many total stations participate in the OC or DC.
 4. Participating stations must maintain their local governance, general management, and FCC license.
 5. **NFFS minimums will be calculated based on total NFFS as reported on each individual CSG recipient's FY2012 Annual Financial Report (AFR) or Financial Summary Report (FSR).** In OCs and DCs that include a TV CSG recipient, the NFFS minimum will be calculated solely based on the radio CSG Grantees' NFFS. In addition, only the radio participants can receive SCP funding.
- C. Eligibility Period:** Funding will be provided as an increase to stations' annual CSG base grant for up to three grant years. Stations granted funds in FY2014 that wish to receive OC or DC funding in FY2015 and FY2016 will be required to certify each grant year that all elements of the Collaboration Agreement remain intact, and the related operating entity and structure remain in place. Any substantive change to the nature and/or structure of a qualifying OC or DC, including the withdrawal or removal of a participant, must be immediately reported by email to Deborah Carr, Director, CSG Radio Administration at: carrd@cpb.org (or the individuals CPB subsequently designates). Material changes to the nature and/or structure of a qualifying OC or DC may impact a station's eligibility for continued funding under these guidelines.

SECTION 2. APPLICATION

- A. Application Period:** Radio CSG recipients may submit one shared SCP application by **December 5, 2013** to receive additional SCP funding in FY2014. If funds are available, the application deadline for the next grant round is tentatively set for May 15, 2014.
- B. Application Submission:** Applicants must submit applications via email to carrd@cpb.org and six print and bound copies via mail to:

Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004-2129
Attn: Deborah Carr, Director, CSG Radio Administration

The application materials must include the following information in the order indicated:

1. **Cover Sheet:** A completed application cover sheet, which can be found under “additional information” on the right hand side of the following website.
<http://www.cpb.org/stations/grants/radio/collaboration.html>.
2. **Ratified and Implemented Agreement:** A copy of the Collaboration Agreement, ratified by each radio CSG recipient’s governing body and signed by each station’s Board Chair, University President or the most senior institutional official authorized to enter into such agreements.
3. **Local Service Plan (“LSP”):** An agreed upon plan that lays out the goals, budgets, costs, benefits, and organizational structure of the OC or DC, and clearly defines roles for key staff. The LSP must include, at a minimum:
 - a. A narrative that states and explains the goals of the OC or DC and the benefit(s) that implementation of the Collaboration Agreement will provide to the collective communities (*i.e.*, service areas of the stations involved) and to the overall public radio system.
 - b. Pro forma budgets for the first five (5) years of the OC or DC.
 - c. An explanation of the financial costs and benefits to each participant before and after the OC or DC that demonstrates its expected sustainability.
 - d. Staff organizational charts of each participant before and after the Collaboration Agreement is implemented, which: (i) identify the changes in staff and reporting responsibilities that will occur as a result of implementation; and (ii) demonstrate that the implementation will result in the creation of a new administrative structure.
 - e. Job description for the highest level management position in each consolidated Functional Area that is the subject of the Collaboration

Agreement, including reporting and supervisory lines for these employees, following implementation of the Collaboration Agreement, which demonstrate that the implementation will result in the creation of a new administrative structure.

4. **FCC Approvals:**

In General: Evidence that all required FCC approvals have been obtained (*or a certification that no such approval is required*) and a copy of any applications, agreements, or other documents filed with the FCC pertaining to the Collaboration Agreement.

FY2014 Grant Period: For SCP applications submitted on or before November 15, 2013, stations may submit copies of applications or other filed documents without evidence of FCC approval, but must certify that any required application(s) remain pending before the FCC and notify Deborah Carr, Director at: carrd@cpb.org (or the individuals CPB subsequently designates) CPB within five (5) business days of the FCC's grant or denial of any such application(s). In the event that the FCC denies an application necessary to allow implementation of the Collaboration Agreement, the applicants will be deemed ineligible for SCP funding and required to return any disbursed funds pursuant to Part A, Section 6, Return of Funds.

SECTION 3. EVALUATION

OC and DC applications will be evaluated based on the submission of all required documents by the application deadline and their compliance with the Part B, Section 1 Eligibility requirements .

SECTION 4. AMOUNT OF ADDITIONAL CSG FUNDING

For each Collaboration Agreement, all radio CSG recipients participating in the OC or DC will receive a CSG total base grant of \$150,000 in FY2014. Continued funding for FY2015 and FY2016 will be predicated on all elements of the Collaboration Agreement, including participants, remaining in place. Grantees will be required to certify that the Collaboration Agreement still meets the requirements annually.

If a Collaboration Agreement results in the loss of Grantee status by one or more stations within an OC or DC during FY2014 due to voluntary withdrawal or pursuant to policy restrictions for overlapped stations, a percentage of OC or DC funding designated to the withdrawing station will be granted to the remaining radio CSG recipient(s) consistent with base grant phase out policy as follows:

***Base Grant Phase Out**

Assumptions:

- Station X qualifies for a \$150,000 SCP in FY2014 and withdraws from the CSG program in FY2014.
- The remaining MSC Stations will receive Station X's SCP for 3 years, and Station X's CSG base grant for 2 years thereafter.
- Station X's CSG base grant is \$50,000 in FY2017- FY2018.
- Station X does not qualify for any increased CSG in FY2017-18 pursuant to an incentive or rural station support.

	FY2014	FY2015	FY2016	FY2017	FY2018
SCP Re-Granted to remaining MSC Stations:					
Percentage	100%	80%	60%	NA	NA
Amount	\$150K	\$120K	\$90K	NA	NA
CSG Re-Granted to remaining MSC Stations:					
Percentage	NA	NA	NA	40%	20%
Amount	NA	NA	NA	\$20,000	\$10,000

*Estimate based on FY13 appropriation for illustration purposes only.

The withdrawing station's SCP funds will be paid to the remaining participating radio CSG recipient in addition to any SCP funding the stations not withdrawing are entitled to. Where there is more than one remaining radio CSG recipient in the eligible OC or DC, the phase-out funding will be divided equally among them.

If Grantee status is lost in subsequent years, the phase out schedule will be adjusted based on the year in which the loss of Grantee status occurs.

However, loss of Grantee status under these circumstances will not invalidate an OC or DC, as long as all remaining OC or DC Eligible recipients otherwise maintain their CSG eligibility, as provided in Section 1 above.

1. SCP recipients will be eligible for a maximum of three years of SCP funding as a participant in one eligible MSC, OC, or DC. Participation in hybrid, multiple or subsequent MSCs, OCs, or DCs will not entitle any OC or DC recipient to funding beyond the \$150,000 annual SCP base grant funding for up to three years.
2. SCP funding will be available during the time period outlined above only for the eligible radio CSG recipients participating in the OC or DC at the time the SCP funding is granted. Any CSG recipient added to an OC or DC subsequent to such funding determination will not be eligible for SCP funding based on its participation.

SECTION 5. RESTRICTIONS

The restrictions listed in General Provisions and Eligibility Criteria apply to supplemental funding issued pursuant to the SCP.

SECTION 6. RETURN OF FUNDS

- A. **Removal From Agreement:** If (i) any participating Radio CSG recipient is voluntarily or involuntarily removed from the Collaboration Agreement during the agreement's first six years, and (ii) the total number of remaining participants is less than the minimum number of OC or DC Eligible recipients, then all additional CSG funding (*i.e.*, the difference between the original and increased SCP base grant amounts in the years in which the funds were granted, as stated on a station's Grant Offer) provided through the SCP to the participants in that Collaboration Agreement, whether spent or unspent, must be returned to CPB.

CPB reserves the right to determine smaller individual station payback amounts in extraordinary circumstances.

- B. If, notwithstanding the removal of a participating OC or DC radio CSG recipient, the OC or DC continues to have the minimum number of OC or DC Eligible recipients and to meet all other OC and DC eligibility criteria, only the withdrawing CSG recipient will be required to return funds to CPB. The withdrawing CSG recipient will be required to return all funding provided through the SCP, whether spent or unspent.

In this situation, CPB may require an amended Collaboration Agreement.

- C. **Other Provisions:** The provisions for Return of Funds enumerated in Part I, Section 10 also apply to funding issued pursuant to the SCP.

SECTION 7. ANNUAL CERTIFICATION

Stations that qualify for SCP funding will be required annually to certify that all elements of the Collaboration Agreement remain intact, and that the related operating entity and structure remain in place.

If there are material changes to the management structure of any or all of the Functional Areas covered by a Collaboration Agreement, CPB may consider such restructuring to invalidate the OC's or DC's continued eligibility for SCP funding, thus triggering the Return of Funds requirements set forth in Section 6 above.

Exhibit A: FY2014 Radio Community Service Grant — Levels and Qualifications
Major Eligibility Criteria and Grant Calculation Factors

CSG Level	Population Density (PD = people/sq. km.)	Nonfederal Financial Support (NFFS) Minimum	FT Employee Minimum‡ (FT=Full Time, FTE=Full Time Equivalent)	Must meet Audience Service Criteria?	Projected Base Grant	NFFS Incentive Eligibility (NFFS Match)†	Minority Audience Service Station Multiplier (MASS) (Applied to Base Grant and NFFS up to \$5 million)
A	Only Radio or TV Broadcast Signal Within Coverage Area	n/a	n/a	No	\$100,000	No	1.50
B*	Any	\$100,000	1	Yes	\$68,480	No	1.50
C	≤40 PD	\$200,000	4 (min. of 2 FT and 2 FTE)	Yes	\$68,480	Yes (Incentive based on 1.25 x NFFS for non-MASS grantees)	1.50 (base grant) 1.75 (NFFS)
D	> 40 PD	\$200,000	4 (min. of 2 FT and 2 FTE)	Yes	\$54,784	Yes	1.50

* Some Level B Stations may benefit from CPB Rural Audience Service Station Support if their population density is ≤40.

‡ Minority Audience Service Station grantees may meet the employee minimum criteria with full time equivalent employees.

© Shaded CSG levels — A and C — benefit from CPB Rural Audience Service Station Support.

† FY2014 Radio Incentive Rate of Return (IRR) is **estimated at .061** cents for every dollar of NFFS (Non-Federal Financial Support) raised. The final IRR (and Base Grant amounts) will be released to grantees by mid-November 2013.