



Corporation  
for Public  
Broadcasting

**Corporation for Public Broadcasting  
FY2014 Television 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](mailto:isis@cpb.org). Be sure to include your call letters and four-digit Grantee ID.**

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## **FY2014 Television Community Service Grant (“CSG”) General Provisions and Eligibility Criteria**

These General Provisions and Eligibility Criteria are divided into two parts. Part I sets forth provisions applicable to all CPB Television Grant Programs. Part II sets forth provisions applicable to Supplemental CSG Funding Programs administered by CPB.

### **I. GENERAL PROVISIONS AND ELIGIBILITY CRITERIA APPLICABLE TO ALL CPB TELEVISION GRANT PROGRAMS**

#### **Section 1. Definitions**

As used in these General Provisions and Eligibility Criteria, the Certification Requirements for Station Grants, 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 [www.cpb.org/stations/frg](http://www.cpb.org/stations/frg).
- 2. CAB: Community Advisory Board**
- 3. 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 Television CSG Calculation Document is attached as Appendix A hereto.
- 4. Certification of Eligibility:** The form(s) each station applying for a Television Community Service Grant (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 at [www.cpb.org/stations/certification](http://www.cpb.org/stations/certification) and the General Provisions and Eligibility Criteria.
- 5. Children’s Programming:** Programming targeted to children seventeen years of age and younger.

6. **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 included in the Certification Requirements for Station Grants Recipients.
7. **Community Service Grant (CSG):** An FY2014 community service grant awarded to a television station by CPB, unless otherwise identified.
8. **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. CPB incorporates CAP into its determination of grant eligibility.
9. **CPB: The Corporation for Public Broadcasting**
10. **CPB Television Grant Programs:** Television grant programs awarded and administered by CPB, including but not limited to the Television CSG, Supplemental CSG Funding Programs, and the Television Interconnection Grant (“TV-ICG”).
11. **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.
12. **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).
13. **FCC:** The Federal Communications Commission
14. **Financial Reporting Guidelines:** Set forth financial reporting requirements of Grantees receiving a CSG. The Guidelines are incorporated herein by reference and available at [www.cpb.org/stations/frg](http://www.cpb.org/stations/frg) .
15. **Fully Differentiated:** Having broadcast content that is unduplicated and not broadcast on any other station in the Multi-Provider Market, as relevant to TV CSG requalification, except for broadcast content that is duplicated pursuant to a formal written contract between two or more stations in such a market.
16. **Grantee:** The FCC licensee legally authorized to receive a CSG.

17. **Joint Licensees:** Those licensees eligible to receive both a TV CSG and one or more radio CSGs.
18. **Local Content and Service Report (“LCSR”):** Each Grantee is required to provide to its community an annual report on the Grantee’s most impactful local content and services in its most recently completed fiscal year. The definition of local content and services is determined by the Grantee.
19. **Multi-Provider Markets:** Markets designated by CPB, in its discretion, as reflected in Appendix B hereto.
20. **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 at [www.cpb.org/stations/frg](http://www.cpb.org/stations/frg).
21. **Primary Grantee:** The Grantee that received the greatest NFFS in a Multi- Provider Market during the fiscal year used to calculate eligibility for the CSG covered by this criterion.
22. **Program Differentiation Requirement:** The requirement that a Grantee not broadcast the same programming that airs on the same day on any other station in the Multi-Provider Market other than Children’s Programming, News Programming, and one-time programming of local or national importance (*e.g.*, emergency information, presidential speeches) in order to be eligible for a Program Differentiation Incentive (“PDI”).
23. **Secondary Grantee:** A Grantee that received less NFFS than the Primary Grantee in a Multi-Provider Market during the fiscal year used to calculate eligibility for the CSG covered by this criterion.
24. **Sole Service:** A station that operates the only broadcast service (radio or television, commercial or non-commercial) within a fifty (50) mile radius from the station’s transmitter. Licensees operating multiple services (television/television or television/radio) serving the same community may qualify as a single sole service Grantee.
25. **Station Activities Benchmarking Study (“SABS”):** This survey collects standard financial and operational information for all public television Grantees. This complete industry data provides provide stations and national organizations with a tool to support decision-making, to understand performance issues, to identify improvement opportunities, and to move towards defined objectives. All Grantees are required to complete this survey annually.
26. **Station Activity Survey (“SAS”):** This survey collects information from public broadcasting stations about their operations so that the CPB can advocate the interests of

public broadcasting; help stations and other public broadcasting organizations with planning and evaluation; study and anticipate industry-wide trends; and monitor the results of Grantees' equal employment opportunity practices. SAS data also helps CPB with CSG calculations.

## Section 2. Eligibility

- A. Eligible Grantees:** An “Eligible Grantee” is an entity that:
1. Is an existing Grantee that received a TV CSG during FY2013;
  2. Is the licensee of one or more over-the-air (analog UHF or VHF, or DTV) stations operating under a valid renewable full-power noncommercial educational license issued by the United States government;
  3. Meets or exceeds the eligibility criteria set forth in this Section 2, the Communications Act Requirements set forth in Section 3, Recordkeeping, Audit, and Documentation Requirements in Section 4, and the Operational Requirements set forth in Section 5;
  4. Submits an application during the TV CSG application window and is deemed qualified by CPB to receive a FY2014 TV CSG.

The following stations are not Eligible Grantees:

- (a) stations that are closed- circuit;
- (b) stations that are managed and operated by and for students;
- (c) stations that primarily provide training programming to Grantee employees, clients, and/or representatives; and/or
- (d) stations licensed to political organizations.

- B. Joint Licensees:** In order to be eligible for both a Television and a Radio CSG, Joint Licensees must independently meet the eligibility criteria and operating requirements for both radio and television grants. Joint Licensees shall not count the same monetary and staffing resources to qualify for different CSGs.

**C. Consolidation:**

1. The management and operational control of all noncommercial television stations licensed to the same entity must be consolidated to earn and benefit from a single CSG.
2. The following types of stations are not eligible for consolidation: (a) stations that are closed-circuit; (b) stations that are managed and operated by and for students; (c) stations that primarily provide training programming to Grantee employees, clients, and/or representatives; and/or (d) stations licensed to political organizations.

**D. Eligibility for Program Differentiation Incentive (“PDI”):**

1. To encourage diverse program services reflecting the wide-ranging needs of unserved and underserved audiences, CPB provides an incentive to those Secondary Grantees in designated Multi-Provider Markets that differentiate their programming from that of any other Grantee in the market by satisfying CPB’s Program Differentiation Requirement.
2. Eligible Secondary Grantees shall certify that their previous year’s programming schedule met the Program Differentiation Requirement with respect to every other Grantee in the Multi-Provider Market. Grantees certifying that they meet the Program Differentiation Requirement shall make their program schedules available to CPB for no less than ten (10) years after the end of the expenditure period.
3. CPB will verify Grantee compliance through periodic reviews as part of its normal financial reporting desk review process. If duplication is found in any week in excess of ten percent (10%), CPB may find that the Grantee (or Grantees) has falsely certified eligibility for the PDI.
4. A Grantee that falsely certifies its undifferentiated programming as compliant with CPB’s Program Differentiation Requirement is subject to a penalty, in CPB’s sole discretion, which may include, but is not limited to, the loss of eligibility for the PDI.

**E. Maintaining Eligibility:** As the legal entity to which CPB is authorized to make a grant, a station’s licensee is responsible for maintaining the Grantee’s eligibility and complying with the General Provisions and Eligibility Criteria, and notifying CPB as soon as possible when it fails to maintain eligibility and compliance.

Grantees found to be noncompliant with the TV CSG General Provisions and Eligibility Criteria may have their current or future CSG and Interconnection Grants 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 1/365<sup>th</sup>:

- Certified CPB Annual Financial Report (“AFR”);
- Audited Financial Statements (“AFS”);
- Annual Station Activities Benchmarking Study (“SABS”);
- Annual Station Activities Survey (“SAS”);
- Local Content and Service Report (“LCSR”).

**F. TV CSG Re-Qualification:** As of October 1, 2012, previous CSG qualified Grantees will be allowed to apply for re-entry if they meet all current requirements of the TV CSG General Provisions and Eligibility Criteria. If the previous CSG qualified Grantee is in a Multi-Provider Market, it must demonstrate that its content is Fully Differentiated from every other Grantee in its market. If a Grantee enters into a Collaborative Bandwidth Optimization agreement, it may not be required to demonstrate that its programming is Fully Differentiated. A station whose Grantee currently receives a CSG for another station is ineligible for CSG re-entry.

**G. CPB Waiver:** CPB may, in its sole discretion, waive a non-statutory minimum 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, the 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 Grantees receiving CPB funds to 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 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));
- Grantees if required, maintain a Community Advisory Board (*see* 47 U.S.C. § 396(k)(8)); and
- Grantee complies with provisions regarding the disclosure of donor information to third parties and does not rent donor information to, or exchanges 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 TV 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 CPB's Discrete Accounting Requirement and maintain proper documentation to support all FY2014 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. CSG funds 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. The second CSG payment is conditioned on CPB's receipt of recipient's SAS. 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 set forth below.

- A. Compliance with FCC Operating Requirements:** Each Grantee must comply with all FCC requirements for the operation of a non-commercial educational television 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. Broadcast Schedule:** The substantial majority of each station's daily total programming hours broadcast on all of its channels, including its primary and additional multicast channels, must be devoted to CPB-Qualified Programming. The station must broadcast on a schedule of seven (7) days per week, fifty-two (52) weeks per year, for a total of at least 3,000 hours or fifty-eight (58) hours per week.
- C. Employment Requirement:** Each Grantee must have a staff headed by an executive or equivalent whose primary responsibility is to oversee the day-to-day operations of the broadcast station, including the responsibility and authority to:
1. Determine when and what material shall be broadcast over the station; and
  2. Administer disbursements under a budget authorized by the governing board of the Grantee.

**D. Minimum Non-Federal Financial Support:** As of September 30, 2012, each Grantee must have a minimum NFFS of \$800,000, which will be determined by taking an average of the Grantee's most recently reported three fiscal years, as set forth in the Calculation Document.

**E. Diversity of Staff and Board:** As of September 30, 2012, or before certification, 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;
2. Implemented the following initiatives to achieve that goal:
  - a. Review with the station's governing board or Grantee official those practices that are designed to fulfill the Grantee's commitment to diversity and to meet the applicable FCC guidelines (*see* 47 C.F.R. § 73.2080);
  - b. 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.

In addition, Grantees shall undertake one of the following initiatives on an annual basis:

- 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;
- Include qualified diverse candidates in any slate of candidates for elected governing boards that the Grantee controls;
- Implement a diversity training program for members of the organization's governing board of directors on an annual basis;
- Participate in minority or other diversity job fairs; or
- Implement formal diversity training programs for management and appropriate staff.

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.

**F. Transparency:** 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 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 Part VII B;
9. Its annual report (Local Content and Services Report) on its content and services that serve local needs, including analysis about the reach and impact of the local services in its community. CPB will make the report available to third parties upon request.
10. Its annual report of hiring goals, guidelines, employee statistics, and actions undertaken to satisfy its formal goal of diversity in the workplace.

**G. Donor Privacy:** As of September 30, 2012, each Grantee must meet all applicable Federal and State laws and regulations regarding donor privacy and data security.

## Section 6. Grant Amount

CPB shall award to each Eligible Grantee an amount to be determined pursuant to the formula set forth in the Calculation Document. Grantees may be eligible for supplemental CSG funding through the Television Local Service (“TV Local”) Program, Television Distance Service (“TV Distance”) Program, Television Merger and Consolidation (“TV Merger”) Program, and Collaborative Bandwidth Optimization (“TV Bandwidth”) Program (collectively “the Supplemental CSG Funding Programs”), as set forth in Part II of these General Provisions and Eligibility Criteria.

## Section 7. Use of Grant Funds and Restrictions

**A. Overview:** 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. All CSG expenditures must fall into one or more 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

**1. 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, 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.

- 2. 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, 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.

**3. 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, 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.

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

- 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.

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

**6. 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, 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.

7. **Purchase, Rehabilitation or Improvement of Capital Assets:** This includes expenditures for purchase, rehabilitation, or improvement of tangible capital assets, such as studio and station equipment and vehicles, buildings and other structures, and other capital assets that are funded with the CSG.

**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 funds 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 shall be expended on the production, acquisition or distribution of programs, unless they are CPB Qualified Programming.

5. The Grantee's licensee 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 Grantee'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 Use of Grant Funds and Restrictions set forth in Section 7(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 or 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 8. Payment Schedule and Reporting Requirements

- A. **Payment Schedule:** FY2014 CSGs 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, 2014 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](mailto: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 of the required documents and reports must be completed and submitted to CPB in a timely fashion. All financial forms (AFR and AFS) are due within five months after the close of the Grantee's fiscal year. As a condition of receiving the CSG, each Grantee must also complete and submit the annual LCSR, SABS and SAS. SABS and SAS are fielded in January and February of each year. If the Grantee submits its financial forms, LCSR, SABS, 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 a consolidated AFR on behalf of all supported stations that are licensed to the same entity. See the current version of CPB's Financial Reporting Guidelines at [www.cpb.org/stations/frg](http://www.cpb.org/stations/frg).

## Section 9. 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 maintain conformity with these General Provisions and Eligibility Criteria for the FY2014 TV CSG, the Certification of Eligibility, and all other related documents.

In addition, CSG funds shall be expended only in accordance with the purposes and restrictions set forth in these General Provisions and Eligibility Criteria.

Expenditures or uses of CSG funds that are inconsistent with the purposes and restrictions set forth in Use of Grant Funds and Restrictions, Section 7, or that are not fully supported by available documentation, as required by Record Keeping, Audit and Documentation Requirements, Section 4, and Expenditure of Funds, Section 7, 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 12, Return of Funds concerning the return of funds. Disallowed expenditures include those expressly prohibited by the CSG General Provisions and other similar restrictions to be determined by CPB, in its sole discretion, from time to time.

## Section 10. 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 appropriate.

## Section 11. 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 12, Return of Funds.

## Section 12. Return of Funds

- A. Unused Funds:** All 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 fully repaid 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 paragraphs (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 13, 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 television 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 (C) 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 (2) 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: (a) 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 (b) relinquishes its broadcast license pursuant to a merger or consolidation with another CSG-qualified organization, and (c) complies with the requirements of Section 13 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.
5. If a recipient of a CSG relinquishes its license for a government-authorized incentive auction, CPB may, in its sole discretion, permit the recipient to retain any of the funds that CPB might otherwise require the recipient to return pursuant to paragraph (1) above, provided that the recipient demonstrates to CPB's satisfaction that such funds will be used in accordance with these General Provisions.

**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 TV CSG payment(s) if Grantee fails to return funds due to CPB.

### Section 13. 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 Grantee'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 14. 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 discrimination<sup>1</sup> 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:

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<sup>1</sup> CPB Board of director's resolution dated February 17, 1974.

- Title III of the Public Telecommunications Financing Act of 1978 (47 U.S.C. § 398); Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2002e);
- the Equal Pay Act of 1963 (29 U.S.C. § 206);
- the Age discrimination in Employment Act of 1967 (29 U.S.C. §§ 621-634);
- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2002d);
- Title IX of the Education Amendment of 1972 (20 U.S.C. § 1681);
- Title V of the Rehabilitation Act of 1973 (29 U.S.C. §§ 790-794); and
- the 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 15. 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 CSG Certification of Eligibility.

## Section 16. 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 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 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, 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 indirect assistance during the appeal.

A Grantee, whom a court or government agency with jurisdiction has made a final determination following the appellate process 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 the Grantee demonstrates to CPB's satisfaction that the violation has been corrected or that Grantee is in compliance with the provisions of such final determination.

## **Section 17. 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 or Interconnection Grant, 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 18. Amendment**

CPB reserves the right to amend the General Provisions and Eligibility Criteria for CSGs and for supplemental CSG-funded programs administered by CPB solely at CPB's discretion. If either are amended, CPB will notify all CSG Grantees of such amendment. All CSG Grantees will be deemed to agree to be in compliance with the terms of the amended General Provisions and Eligibility Criteria unless a CSG Grantee notifies CPB otherwise in writing within thirty (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 12, Return of Funds.

## II. SPECIFIC PROVISIONS APPLICABLE TO SUPPLEMENTAL CSG FUNDING AND GRANT PROGRAMS

### Section 1. Applicability of General Provisions

This Part II sets forth the provisions that govern the supplemental CSG funding and grant programs, including the Television Local Service Program, Television Distance Service Program, Television Merger and Consolidation Program, and Television Collaborative Bandwidth Program and , and the Television Interconnection Grant program (TV-ICG). These supplemental CSG programs and the TV-ICG program are subject to all of the provisions set forth in Part I of these General Provisions and Eligibility Criteria, provided, however, that in the event of a conflict between Part I and Part II, Part II shall govern the supplemental CSG programs and the TV-ICG. In the event the CSG program (Part I) is revised at any time during the term covering an award under the supplemental CSG programs and the TV-ICG, said award shall be subject to the revised provisions.

### Section 2. Television Local Service (“TV Local”) Program

- A. **Purpose:** This program provides supplemental CSG funding for stations in smaller and more rural communities.
- B. **Eligibility:** Only Grantees: (1) receiving a FY2014 TV CSG; (2) whose FY2012 annual NFFS is less than \$2 million or whose three-year average (FY2010-12) NFFS is less than \$2 million; (3) whose Coverage Area Population is less than 2.5 million people (as determined using contours as defined in Section 73.684 of the FCC Rules (47 C.F.R. § 73.684) and the most recent census population data from the U.S. Census Bureau); and (4) deemed qualified by CPB to receive supplemental CSG funding pursuant to the TV Local Program shall be eligible to receive such funding. During the annual CSG calculation process, CPB uses station data in the AFR and other reports to determine which Grantees qualify for the supplemental funding.
- C. **Distribution and Use of Funds:**
1. Supplemental CSG funding issued pursuant to the TV Local Program will be disbursed to recipients in one payment, which will coincide with their first CSG payment.
  2. Recipients of supplemental CSG funding issued pursuant to the TV Local Program must agree to use the funds in support of local services, such as Educational Outreach Activities or Educational Programs (as further described in Section 7 (A) (1) of Part I); local content and production; operational efficiencies; implementation of best development practices; financial planning; or professional development.

### Section 3. Television Distance Service (“TV Distance”) Program

- A. Purpose:** This program provides supplemental CSG funding to Grantees that operate multiple repeater transmitters or translators to serve distant communities.
- B. Eligibility:** Only Grantees (1) receiving a FY2014 TV CSG; (2) operating three or more digital transmitters or transmitter-equivalents (10 translators are considered the equivalent of one transmitter); and (3) deemed qualified by CPB to receive supplemental CSG funding pursuant to the TV Distance Program shall be eligible to receive such funding. During the annual CSG calculation process, CPB uses station data to determine which Grantees qualify for the supplemental funding.
- C. Distribution and Use of Funds:**
1. Supplemental CSG funding issued pursuant to the TV Distance Program will be disbursed to recipients in one payment, which will be coincident with their first CSG payment.
  2. Recipients of supplemental CSG funding issued pursuant to the TV Distance Program must agree to use the funds in support of local services, such as Educational Outreach Activities or Educational Programs (as further described in Section 7 (A) (1) of Part I) or local content and production.

### Section 4. Television Merger and Consolidation (“TV Merger”) Program

**Purpose:** The Television Merger and Consolidation Program is available to stations receiving a television CSG that have entered into a comprehensive operating agreement (Operating Agreement) with one or more other television CSG recipients, which will result in a number of advantages, including the following:

- To the extent possible, ensuring everyone that currently receives over-the-air public television service will continue to receive over-the-air public television service.
- Facilitates stations working together to implement an approach they have not previously undertaken to share operations increasing the efficient and effective use of their resources.

This program was created pursuant to a resolution of the Corporation for Public Broadcasting’s (CPB) Board of Directors in May 2009 authorizing CPB to assist stations at risk of closing which provide the only public television service in their coverage area, and to assist stations that undertake efforts to more efficiently and effectively use their resources collaboratively.

Accordingly, this program provides television CSG recipients participating in an Operating Agreement the opportunity to apply for funding from either the Universal Service Program or the Operational Efficiency Program (OE Program), depending on the results and impact of their Operating Agreement. Stations may only receive funding from one of these programs each year the program is in effect.

## A. UNIVERSAL SERVICE PROGRAM

In order to obtain funding under the Universal Service Program at least one of the applicants must provide the only public television service to 80 percent or more of its signal coverage area and must also be at risk of imminent closure or loss of CSG for failure to meet minimum NFFS (Universal Service Station).

Each group of stations participating in an Operating Agreement is eligible for up to 25 percent of the FY2014 CSG of the Universal Service Station, not to exceed \$3 million in funding annually through the Universal Service Program. Funding provided must be divided equally among the participating stations (if a new entity is created, then the new entity will receive the entire funding). It is within CPB's sole discretion to determine the amount of funding to set aside for the Universal Service Program, and to award to requesting stations.

### Eligibility

1. **Eligibility Requirements.** In order to be eligible to participate in the Universal Service Program, applicants must meet the following criteria:
  - a. **Operating Agreement:** Stations participating in the Operating Agreement must submit a joint application substantiating the need for, expected results of and sustainability of the Operating Agreement as described in the paragraph below entitled "Application."

The Operating Agreement may result in the creation of a new entity or a collaborative arrangement.

The Operating Agreement must have come into effect on or after July 1, 2011, and extend for a period of at least 10 years.
  - b. **Ratification:** The Operating Agreement must have been ratified by the governing body of each participating station prior to submitting the application for Universal Service Program funding.
  - c. **Imminent Closure/Loss of CSG:** At least one station participating in the Operating Agreement must be a Universal Service Station and the Operating Agreement must mitigate that station's risk of closure and/or loss of CSG eligibility.
  - d. **Financial and Operational Analysis:** Each Universal Service Station must have completed a financial and operational analysis on or before the date the Operating Agreement is ratified by all participating stations. The financial and operational analysis must be carried out by a reputable qualified third party experienced in providing such services.
  - e. **Unduplicated Coverage Area Population:** The coverage area population (CAP) of the stations participating in the Operating Agreement may not overlap by more than 20 percent.

## Application

1. **Application Period:** Eligible Grantees may submit one shared application through the Universal Service Program during an open application round. Open rounds will be announced on CPB's website. Go to <http://www.cpb.org/stations/grants/tv/generalprovisions/> and click on the Television Merger and Consolidation link for current information.
2. **Application Submission:** Stations must submit applications via email to [TVMerger@cpb.org](mailto:TVMerger@cpb.org) and six print and bound copies via mail to:

Ms. Djinni Field, Project Officer  
Corporation for Public Broadcasting  
401 Ninth Street, NW  
Washington, DC 20004

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

- a. **Cover Sheet:** Provide a completed application cover sheet found at: <http://www.cpb.org/stations/grants/tv/merger.html>.
- b. **Need Statement:** A description of the circumstances each participating station faces regarding the imminent closure and/or loss of CSG eligibility requirement and how it is addressed by the Operating Agreement.
- c. **Financial And Operational Analysis:** A complete copy of the finalized third-party financial and operational analysis and a narrative describing how the issues raised by this analysis were addressed by the Operating Agreement.
- d. **Operating Agreement:** A copy of the executed Operating Agreement and evidence of its ratification by each participating station's governing body.
- e. **Organizational and Governing Structure:** An organization chart for each station's staff and governing body prior to and after ratification of the Operating Agreement. If the new structure is planned but not yet implemented, please provide the plan and timeline for adopting the same.
- f. **Local Content and Service:** A detailed description and implementation timeline of the efforts each station will employ to ensure locally produced content and services are provided to serve the needs and interests of the stations' respective communities. In addition, provide a matrix displaying the content and services provided prior to adoption of the Operating Agreement, and projections for the first three years.
- g. **Coverage Area Population:** A contour map and analysis of the participating stations CAP, including the unduplicated population, served by each.

- h. Financial Projections:** Detailed financial information including current financial statements from each participating station, and five years of projected budgets, cash flow statements, statements of activities (income statements), and other relevant financial statements demonstrating the projected financial benefits of the collaboration and Operating Agreement. The projections must be presented to show the current financial situation and the percentage change expected annually.
- i. FCC Approvals:** Evidence that all necessary FCC approvals have been obtained (or a certification that no such approval is required signed by the station's chief financial officer) and a copy of all applications, agreements, or other documents filed with the FCC as a result of the Operating Agreement.

Each station participating in the Operating Agreement must notify Djinni Field at: [dfield@cpb.org](mailto:dfield@cpb.org) and Kevin Martin at: [kmartin@cpb.org](mailto:kmartin@cpb.org) (or the individual CPB subsequently designates) within five business days of the FCC's grant or denial of any pending application(s).

If the FCC denies any application necessary to implement the Operating Agreement, the station's application for Universal Service Program funding will be disqualified, and each station involved in the Operating Agreement must promptly return any funds disbursed under the Universal Service Program at any time, in accordance with Part I, Section 12 "Return of Funds" above.

### **Restrictions**

- 1. Spectrum Auctions/Channel Sharing:** Stations receiving funding through the Universal Service Program may not use those funds to cover any costs arising from participation in spectrum auctions or channel sharing plans pursuant to the Middle Class Tax Relief and Job Creation Act of 2012, the FCC's policies and regulations implementing that Act, or any similar legislation or regulation.

### **Return of Funds**

- 1. Participant Removal:** Each station participating in the Operating Agreement must immediately notify Kevin Martin at: [kmartin@cpb.org](mailto:kmartin@cpb.org) (or the individual CPB subsequently designates) in writing if any station is removed as a party to the Operating Agreement at any time during the first ten year term. In the event of a removal, each station participating in the Operating Agreement must promptly return to CPB all funds received through the Universal Service Program.

## **B. OE PROGRAM**

Each group of stations participating in an Operating Agreement may apply for funding equal to 25 percent of each station's FY2014 CSG. However, the total amount of funding payable to any group may not exceed \$1.5 million. Each funding award must be divided equally among the participating stations (if a new entity is created, then the new entity will receive the entire funding). It is within CPB's sole discretion to determine the amount of funding set aside for the OE Program, and to award to requesting stations.

## Eligibility

1. **Eligibility Requirements:** In order to be eligible to participate in the OE Program, applicants must meet the following criteria:
  - a. **Operating Agreement:** Stations participating in the Operating Agreement must submit a joint application substantiating the need for, expected results of and sustainability of the Operating Agreement as described in the paragraph below entitled “Application.”

The Operating Agreement may result in the creating of a new entity or a collaborative arrangement.

The Operating Agreement must have come into effect on or after July 1, 2011, and extend for a period of at least 10 years.
  - b. **Ratification:** The Operating Agreement must be ratified by the governing body of each participating station prior to submitting an application for OE Program funding.
  - c. **Local Content and Service:** Stations participating in an Operating Agreement must be able to increase within three years following ratification of the Operating Agreement, their combined total expenditures for local content and service by at least 25 percent.

## Application

1. **Application Period:** Eligible Grantees may submit applications for OE Program funds during an open application round. Open rounds will be announced on CPB’s website. Go to <http://www.cpb.org/stations/grants/tv/generalprovisions/> and click on the Television Merger and Consolidation link for current information.
2. **Application Submission:** Stations must submit applications via email to [TVMerger@cpb.org](mailto:TVMerger@cpb.org) and six print and bound copies via mail to:

Ms. Djinni Field, Project Officer  
Corporation for Public Broadcasting  
401 Ninth Street, NW  
Washington, DC 20004

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

1. **Cover Sheet:** Provide a completed application cover sheet found at: <http://www.cpb.org/stations/grants/tv/merger.html>.
2. **Operating Agreement:** A copy of the executed Operating Agreement, along with evidence of its ratification by each participating station’s governing body.

3. **Organizational and Governing Structure:** An organization chart identifying each station's staff and governing body prior to and after ratification of the Operating Agreement. If the new structure is planned but not yet implemented, please identify the plan and timeline for adopting the same.
4. **Local Content and Service:** The stations' plan for increasing their combined amount of funding for local content and service by at least 25 percent within three years. The plan must include a timeline and milestones. In addition, provide a matrix displaying the local content and services provided prior to adoption of the Operating Agreement, and projections for the first three years.
5. **Financial Projections:** Detailed financial information including current financial statements, and five years of projected budgets, cash flow statements, statement of activities (income statements), and other relevant financial statements demonstrating the projected financial benefits of the collaboration. The projections must be presented to show the current financial situation and the percentage change expected annually.

The financial information must also be combined for each station and shown as a total to demonstrate the minimum 25 percent increase in expenditures on local content and service. Applicants may not allocate anticipated OE Program funding to meet the increase

6. **FCC Approvals:** Evidence that all necessary FCC approvals have been obtained (or a certification that no such approval is required, signed by the station's chief financial officer) and a copy of all applications, agreements, or other documents filed with the FCC pertaining to the Operating Agreement.

The stations must notify Djinni Field at: [dfield@cpb.org](mailto:dfield@cpb.org) and Kevin Martin at: [kmartin@cpb.org](mailto:kmartin@cpb.org) (or the individuals CPB designates) within five business days of the FCC's grant or denial of any pending application(s).

If the FCC denies any application necessary to implement the Operating Agreement, the application concerning that Operating Agreement will be disqualified, and each station involved in the Operating Agreement must promptly return any funds disbursed under the OE Program at any time, in accordance with Part I, Section 12 "Return of Funds" above.

### **Restrictions**

1. **Spectrum Auctions/Channel Sharing:** Stations receiving funding through the OE Program may not use those funds to cover any costs arising from participation in spectrum auctions or channel sharing plans pursuant to the Middle Class Tax Relief and Job Creation Act of 2012, the FCC's policies and regulations implementing that Act, or any similar legislation or regulation.

## **Return of Funds**

1. **Participant Removal:** Each station participating in the Operating Agreement must immediately notify Kevin Martin at: [kmartin@cpb.org](mailto:kmartin@cpb.org) (or the individual CPB subsequently designates) in writing if any station is removed as a party to the Operating Agreement at any time during the first ten year term. In the event of a removal, each station participating in the Operating Agreement must promptly return to CPB all funds received through the OE Program.

## **Section 5. Television Collaborative Bandwidth Optimization (“Bandwidth”) Program**

**Purpose:** The FY2014 Television Collaborative Bandwidth Optimization Program (Bandwidth Program) is designed to encourage television stations receiving a CSG in overlap coverage markets to cooperatively use their bandwidth in a more creative and efficient manner, by coordinating their broadcast services. The collaboration is expected to result in a more cost effective use of public television bandwidth, a reduction in station expenses, improved public service, and produce new sources of revenue.

In order to receive funding under this program, stations must demonstrate that they meet Bandwidth Program eligibility criteria and submit an application as detailed herein. All sums awarded under this program are also subject to the provisions of the FY2014 Television Community Service Grant General Provisions and Eligibility Criteria (CSG Program), and the terms defined therein are incorporated herein by reference. In the event the CSG Program is revised at any time during the term covering an award under the Bandwidth Program, said award shall be subject to the changed CSG Program provisions.

### **A. ELIGIBILITY & TERM**

1. **Eligibility:** In order to obtain funding under the Bandwidth Program the collaborating public television stations must meet and/or detail in their application, the following eligibility requirements:
  - a. **Collaboration** - the collaboration must consist of two or more CSG recipient television stations;
  - b. **Coverage Area Population (CAP<sup>2</sup>)** – if there are two collaborating stations, their coverage areas must overlap by at least 80 percent; if there are more than two collaborating stations, at least two of said stations’ coverage areas must overlap by at least 80 percent;
  - c. **Multi-Provider Markets** – if each collaborating station is located in a Multi-Provider Market, the application will receive first preference in the allocation of CPB funds for the Bandwidth Program.

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<sup>2</sup> Please refer to the CSG Program for a definition of CAP.

- d. **Collaborative Agreement** - the collaboration must be memorialized in writing and detail the specific terms of the station's agreement (Collaboration Agreement). A copy of the Collaboration Agreement signed by each party must be submitted with the application. The Collaboration Agreement must have come into effect on or after July 1, 2011, and extend for a period of at least five years.
- e. **Ratification:** The Collaboration Agreement must have been ratified by the governing body of each participating station prior to submitting the application for Bandwidth Program funding.
- f. **Term:** Any funds awarded under the Bandwidth Program will be distributed over three years. To receive funding beyond the first year, each station in the collaboration must recertify annually that it meets all eligibility requirements for the Bandwidth Program in connection with their next two TV CSG applications. If a station in the collaboration loses CSG Program funding in that period, it will not be eligible to recertify

### **Application**

- 1. **Application Deadline:** Eligible Grantees may submit one shared application during an open application round. Open rounds will be announced on CPB's website. Go to <http://www.cpb.org/stations/grants/tv/generalprovisions/> and click on Television Collaborative Bandwidth Optimization link for current program information.
- 2. **Application Process:** Applicants must submit applications via email to [TVBandwidth@cpb.org](mailto:TVBandwidth@cpb.org) with "Bandwidth Program" in the subject line, and provide six print and bound copies via mail to:

Ms. Djinni Field, Project Officer  
Corporation for Public Broadcasting  
401 Ninth Street, NW  
Washington, DC 20004

- 3. **Application:** Application materials must include the following:
  - a. **Form Cover Sheet:** A completed application cover sheet, found at: <http://www.cpb.org/stations/grants/tv/bandwidth.html>.
  - b. **CAP Map and Analysis:** A contour map and analysis of the combined CAP, including the unduplicated population, served by each applicant in the collaboration.
  - c. **Collaboration Agreement:** A copy of the Collaboration Agreement executed by each participating station and evidence of its ratification by each participating station's governing body.

- d. **Program Details and Revenue Plan:** Explain in detail the plan for implementing the Collaboration Agreement, which must include but is not limited to the following components:
- 1) **Spectrum Utilization Plan:** Detailed explanation of how the collaboration participants' spectrum will be allocated by each participating station, including broadcast and other services. Illustrate how the collaboration will increase efficiency and/or improve public service to the community, providing a matrix showing service changes before and after the new working arrangement at each station.
  - 2) **Programming Plan:** A comprehensive program plan and broadcasting schedule for the initial twelve month term, which consolidates each station's spectrum; identify any anticipated unused spectrum.
  - 3) **Promotional Plan:** An comprehensive promotion plan for the initial twelve month period, setting forth how each of the collaboration's channels and spectrum will be promoted and marketed (across all media platforms) to the community and stakeholders, and the efforts each station will undertake to support the same.
  - 4) **Financial Statements and Projections:** Detailed financial information including current financial statements, and five years of projected cash flow statements, statements of activities, and other relevant financial information demonstrating the projected financial benefits of the collaboration. The projections must be presented to show the current financial situation and the percentage change expected annually.
  - 5) **Organizational and Governing Structure:** Identify the specific organizational and governance changes necessary to facilitate the collaboration, including a timeline and the responsibilities of each participant.
- e. **FCC Approvals:** Provide evidence that any FCC approvals necessitated by the Collaboration Agreement have been obtained or are pending. If none are required, please include a statement certifying the same. In the event that the FCC denies an application necessary to implement the collaboration, applicants must immediately return any disbursed funds pursuant to the Bandwidth Program and will be deemed ineligible for participating any further in the program.

### **Funding**

Funding under the Bandwidth Program will be awarded only to the extent that CPB determines such funds are available. Applicants from stations in Multi-Provider Markets that meet all eligibility criteria will receive first preference for receipt of these funds; any remaining funds will be allocated to those not in multi-provider markets. Stations receiving this funding will be disqualified from receiving a Program Differentiation Incentive grant.

Bandwidth Program Funding will be in the amounts set forth below:

- collaborations involving three or fewer stations: each station in the collaboration will be eligible to receive up to \$250,000, per year;
- collaborations involving four or more stations: the collaboration as a whole will be eligible to receive up to \$750,000, per year. Funding must be divided equally among the stations within the collaboration.

### **Restrictions**

1. **Sale or Lease of Bandwidth:** Each station under the Collaboration Agreement that receives funds under the Bandwidth Program, must agree not to sell or lease bandwidth to stations that are not CSG recipients within the first five years of the Agreement. In the event a station fails to comply with this requirement, each station within the collaboration must immediately return to CPB the lesser of: (i) all funds provided under the Bandwidth Program; or (ii) the gross revenue generated from the sale or lease of such bandwidth.
2. **Spectrum Auctions/Channel Sharing:** Stations receiving funding through the Bandwidth Program may not use those funds to cover any costs arising from participation in spectrum auctions or channel sharing plans pursuant to the Middle Class Tax Relief and Job Creation Act of 2012, the FCC’s policies and regulations implementing that Act, or any similar legislation or regulation.

### **Return of Funds**

1. **Participant Removal:** Each station participating in the Collaboration Agreement must immediately notify Kevin Martin at: [kmartin@cpb.org](mailto:kmartin@cpb.org) (or the individuals CPB subsequently designates) in writing if any station is removed as a party to the Collaboration Agreement at any time during the first five year term. In the event of a removal, each station participating in the Collaboration Agreement must promptly return to CPB all funds received through the Bandwidth Program.

## **Section 6. Television Interconnection Grant (“TV-ICG”)**

1. **Purpose:** The Communications Act authorizes CPB to assist in the establishment and development of one or more interconnection systems to be used for the distribution of public telecommunications services. CPB will support the public television interconnection cost in FY 2014 through direct restricted grants to each interconnected station that is qualified to receive a Television CSG.
2. **Eligibility:** Only Grantees of stations receiving a FY2014 TV CSG are eligible to receive a TV-ICG.
3. **Distribution and Use of Funds:**
  - a. The FY2014 TV-ICG expenditure period is October 1, 2013 through September 30, 2014.

- b.** TV-ICG funds must be used to pay for interconnection and/or program distribution costs.

## Exhibit A – FY 2014 TV Grant Calculation Document

### **Minimum Non-Federal Financial Support (NFFS)**

The average of a station's NFFS for 2010, 2011, 2012 will determine its eligibility for a FY2014 Community Service Grant. The average must be a minimum of \$800,000. Stations may request eligibility for a waiver to the minimum NFFS policy. CPB will evaluate the waiver request by conducting a detailed examination of the station's operations, local service, and community support. The automatic waiver that was previously available to stations not meeting the minimum NFFS is no longer available.

### **Program Differentiation Incentive**

**Calculation of Program Differentiation Incentive:** In calculating the NFFS-matching (or incentive) portion of a Grantee's grant amount, only the programming on a station's primary channel will be included in the calculation of a differentiated program service. The NFFS of each Grantee eligible for the program differentiation incentive will be weighted as follows:

NFFS up to the first \$2 million will be multiplied by a factor of 1.75.

NFFS between \$2 million and \$4 million will be multiplied by a factor of 1.25.

### **Television Local Service Program**

A Grantee's supplemental CSG funding for the FY2014 TV Local Program is calculated as a share of a total pool of \$3 million. Each eligible Grantee's share is inversely proportional to its share of the aggregate NFFS of all eligible Grantees. For Grantees with NFFS below \$800,000, their share is calculated based upon an NFFS of \$800,000. This does not apply to a television station that is designated as sole service.

### **Television Distance Service Program**

A Grantee's supplemental CSG funding for the FY2014 TV Distance Program is calculated based on a percentage of the annual standard base grant. The percentage for each station increases as each station's total number of transmitters increases.

3 digital transmitters	4	5	6	7	8	9	10	11	12 or more
5% of standard CSG base grant	7.5%	10%	20%	30%	40%	50%	60%	70%	80%

**[NOTE: The standard base grant amount is tied directly to the federal appropriation and equals 0.11% of the appropriation.]**

### **Television Collaborative Bandwidth Optimization Program**

Supplemental CSG funding for the TV Bandwidth Program will be awarded only to the extent that funds are available. For collaborations with three (3) or fewer Grantees, CPB shall issue supplemental CSG funding of \$250,000 per grantee, per year, to be distributed equally among the Grantee partners. For collaborations with four (4) or more Grantees, CPB shall issue supplemental CSG funding of \$750,000 per year, to be distributed equally among the Grantee partners. Grantees that receive supplemental CSG funding pursuant to the TV Bandwidth Program will not be eligible for a Program Differentiation Incentive grant. Collaborations will be funded for a maximum of three (3) consecutive years.

## **Appendix A – FY 2014 TV Grant Calculation Document (continued)**

### **Television Merger and Consolidation Program (Operational Efficiency)**

For each TV Merger-OE Eligible Agreement, CPB may issue supplemental CSG funding up to twenty-five percent (25%) of the total FY2013 TV CSG for all Grantees participating in the new operating arrangement, to be distributed equally among the Grantee partners. The supplemental CSG funding for a single TV Merger-OE Eligible Agreement shall not exceed \$1.5 million. Final grant amounts will depend on available funding.

### **Television Merger and Consolidation Program (Universal Service)**

For each TV Merger-US Eligible Agreement, CPB may issue supplemental CSG funding up to the equivalent of the FY2013 CSG of the Grantee(s) facing imminent closure, to be distributed equally among the Grantee partners. The supplemental CSG funding for a single TV Merger-US Eligible Agreement shall not exceed \$1.5 million, regardless of the number of Grantee partners. CPB will determine final amounts based on available funding, evidence of need to ensure universal service, and the submitted plan for maintaining and improving content.

### **Television Interconnection Grant**

The grant amount for the FY2014 TV-ICG is calculated as a share of a total pool of \$4 million. Each eligible grantee's share is inversely proportional to its share of the aggregate CSGs awarded to all eligible grantees.

## Exhibit B – Stations in Multi-Provider Markets and Stations Receiving Program Differentiation Incentive Funding

The stations set forth below are television stations in multi-provider markets. Those that are the primary station in their market are identified in bold type, and those receiving Program Differentiation Incentive funding are identified by an asterisk.

**Atlanta**  
**Georgia Public Broadcasting**  
 WPBA\*

**Chicago**  
**WTTW**  
 WYCC\*  
 WYIN\*

**Denver**  
 KBDI\*  
**KRMA**

**Lincoln**  
 KUON  
 NETV

**Los Angeles**  
**KCET**  
 KLCS\*  
 KOCE\*  
 KVCR\*

**Madison**  
 WHA  
 WPTV

**Miami**  
 WLRN\*  
**WPBT**

**New Orleans**  
 WLAE\*  
**WYES**

**New York City**  
**WNET**  
 WNYE\*

**Orlando**<sup>3</sup>  
 WDSC\*  
**WEFS**  
 WUCF\*

**Philadelphia**  
**WHYY**  
 WYBE\*

**Salt Lake City**  
**KBYU**  
 KUED\*  
 KUEN\*

**San Francisco**  
 KCSM\*  
**KQED**  
 KRCB\*

**San Juan**  
**WIPR**  
 WMTJ\*

**Seattle/Tacoma**  
 KBTC\*  
**KCTS**

**Tampa**  
**WEDU**  
 WUSF\*

**Washington, DC**  
**WETA**  
 WHUT \*

<sup>3</sup> Florida station's call letters were recently changed: WDSC was formally known as WCEU, WEFS as WBCC, and WUCF as WMFE.