



Corporation
for Public
Broadcasting

**2019 Radio Community Service Grants
General Provisions and Eligibility Criteria
October 2018**

Questions should be submitted to: csq@cpb.org
(Include station's call letters and four-digit Grantee ID).

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2019 Radio Community Service Grants General Provisions and Eligibility Criteria

These Radio Community Service Grants General Provisions and Eligibility Criteria (General Provisions) set forth the requirements applicable to the Corporation for Public Broadcasting (CPB) Radio Community Service Grant (CSG) program. Part I contains the general requirements for the CSG Program and Part II defines the terms used herein. CSG recipients must also comply with requirements in the documents identified in Exhibit A, which is attached hereto and incorporated herein by reference.

PART I. CSG PROGRAM

Section 1. Eligibility Criteria

- A. Eligible Grantee:** An Eligible Grantee is a Licensee that:
1. operates one or more radio stations, at least one of which meets the eligibility criteria herein and is designated as the Licensee's Flagship Station in CPB's Integrated Station Information System;
 2. received a CSG in FY 2018 or submits an application to CPB for CSG funding during an open application period; and
 3. is determined by CPB to be a qualified CSG recipient.
- B. Ineligible Stations:** The following radio stations are not eligible to receive a CSG:
1. closed-circuit or carrier current stations;
 2. stations that are managed and operated by and for students;
 3. stations that primarily provide training programming to Licensee employees, clients, and/or representatives; and
 4. stations licensed to political organizations.
- C. Additional Eligibility Criteria:** Grantees in the categories below are subject to the following additional eligibility criteria:

1. **Joint Licensees:** Joint Licensees must individually meet the requirements set forth herein and the applicable General Provisions governing their television CSG. Resources (including but not limited to NFFS, FT employees and FTEs) designated to meet the requirements of one CSG may not be used to meet the requirements for any other CSG.
 2. **Licensees Receiving Multiple Radio CSGs:** Licensees receiving multiple radio CSGs must ensure that each Grantee individually meets the requirements set forth in the General Provisions. Resources (including but not limited to NFFS, FT employees, and FTEs) designated to meet the requirements of one CSG may not be used to meet the requirements for any other CSG.
 3. **Overlapping Stations:** Overlapping stations, owned by the same Licensee, are deemed a single Grantee and do not qualify for separate CSGs.
- D. Maintaining Eligibility:** Grantee is responsible for compliance with the General Provisions at all times during the Spending Period and must promptly notify CPB if Grantee fails to maintain the same, by email to Director, Radio CSG Policy & Administration, at csg@cpb.org (or the individuals CPB subsequently designates).
- CPB reserves the right to reduce or eliminate a Grantee's CSG if CPB determines the Grantee is not in compliance with the General Provisions and the CSG Agreement and Certification of Eligibility.
- E. CPB Waiver:** CPB may, in its sole discretion and in exceptional circumstances, waive a non-statutory eligibility criterion listed in Section 1, Eligibility Criteria, for example, when a station demonstrates that it provides the sole public broadcast service in its community or that its public broadcast services are primarily for underserved or unserved audiences.

Section 2. Communications Act Requirements

Grantees may not receive a CSG unless they comply with applicable provisions of the Communications Act. In their annual CSG Agreement and Certification of Eligibility, Grantees must certify to CPB that they are in compliance and will remain in compliance throughout the Spending Period.

Certain requirements of the Act are summarized below. This summary does not include additional provisions of the Act or other applicable laws and regulations. More detailed guidance may be found in the [Compliance Booklet](#)¹.

- A. Open Meetings:** Meetings of Grantee's board/governing body, board/governing body committees and CAB meetings must be open to the public (47 U.S.C. § 396(k)(4)). In addition, CPB requires Grantees to give at least seven days advance notice of meetings, including the time and place, by:

¹ June 2018 edition.

1. posting notice on its station website (as defined in Section 9(A));
 2. broadcasting notice on-air between 6 a.m. and 11 p.m., as shown by the station's log;
 3. placing notice in the "Legal Notices" section of a local newspaper in general circulation in the station's primary coverage area; or
 4. giving notice through a recorded announcement accessible on the station's phone system.
- B. Closed Meetings:** Grantee must document why any of its board/governing body, board/governing body committees and CAB meetings were closed and make available to the public a written statement of the reason(s) within a reasonable time after the closed meeting (47 U.S.C. § 396(k)(4)). CPB also requires that the written statement be made available for inspection, either at Grantee's central office or on its station website, within 10 days after each closed meeting.
- C. Open Financial Records:** The Act requires stations to make available to the public their annual financial and audit reports and related financial information they are required to submit to CPB (47 U.S.C. § 396(k)(5) and § 396(l)(3)(b)). CPB also requires that each Grantee post the following documents on its station website:
1. its most recent audited financial statement or un-audited financial statement for stations exempt from providing audited financial statements; and
 2. its most recent AFR or FSR (whichever is applicable).
- D. CAB:** All Grantees, other than those owned by a state, political or special purpose subdivision of a state, or public agency, must have a CAB (47 U.S.C. § 396(k)(8)).
1. Grantee must undertake good faith efforts to ensure that:
 - a. the CAB meets at regular intervals;
 - b. CAB members regularly attend its meetings; and
 - c. the CAB reasonably represents the diverse needs and interests of the communities served by Grantee's station.
 2. The CAB's responsibilities include:
 - a. the right to review the station's programming goals;
 - b. the right to review the service provided by the station;
 - c. the right to review significant policy decisions rendered by the station; and

- d. the obligation to advise the station's governing body on whether the station's programming and other significant policies are meeting the specialized educational and cultural needs of the communities served by the station, and to make recommendations that the CAB deems appropriate to meet such needs.

E. Employment Statistical Report: Each Grantee must:

1. file annually with CPB its Employment Statistical Report²; and
2. make its Employment Statistical Report available for public inspection at its central office and at each other location where there are six or more employees (47 U.S.C. § 396(k)(11)).

F. Donor Information: As required by 47 U.S.C. § 396(k)(12):

1. Stations are barred from renting contributor names, donor names, or other personally identifiable information (collectively, Personal Information) to or from, or exchanging Personal Information with, any Federal, state, or local candidate, political party, or political committee.
2. Stations are also barred, unless required by law, from disclosing a contributor or donor's Personal Information to any Nonaffiliated Third Party, unless the station:
 - a. clearly and conspicuously notifies the contributor or donor that the station may release its Personal Information to Nonaffiliated Third Parties;
 - b. advises contributors or donors before any disclosure that they have the option not to have their Personal Information disclosed; and
 - c. explains to the contributor or donor how to exercise that non-disclosure option.

Section 3. Recordkeeping Requirements

Grantees must comply with the recordkeeping requirements set forth below.

- A. Recordkeeping, Certification, and Audit Requirements:** The Communications Act mandates recordkeeping and auditing and provides CPB and its representatives access to all records concerning a CSG. Grantees must maintain such records as CPB may in its discretion require to facilitate an effective audit. (47 U.S.C. § 396(l)(3)(B), (C), & (D)).

Additional information related to recordkeeping is found in the [Principles of Accounting](#).

- B. Records and Documentation:** Grantees must retain all CSG records, including

² The Employment Statistical Report required by the Communications Act is Section 1 of the Station Activity Survey. This report is different from the FCC's Equal Employment Opportunity requirements. See Section 21, Equal Employment Opportunity.

documentation sufficient to substantiate their CSG Agreement and Certification of Eligibility, for no less than three years after the end of the Spending Period. However, CSG records must be retained for no less than 10 years, after commencement of any of the events below:

1. when litigation or an audit begins before the expiration of the three-year period; and
2. when CPB requests otherwise in writing.³

Notwithstanding the general three-year requirement, Grantees may need to retain some documentation for longer periods of time if necessary to demonstrate their compliance with the General Provisions. For example, if the calculation of indirect costs and other valuations reported as NFFS were documented in prior years, they should be retained to support compliance in the current Spending Period.

CPB reserves the right to disallow any expenditures Grantee cannot support with appropriate documentation.

- C. CSG Agreement and Certification of Eligibility:** Grantees must certify annually their compliance with the General Provisions by submitting a CSG Agreement and Certification of Eligibility to CPB. Compliance is subject to audit by CPB's Inspector General and others, and improper certification may result in loss of CSG eligibility, and penalties under the Federal False Claims Act and the CSG Non-compliance Policy.
- D. Discrete Accounting Requirement:** During the Spending Period, Grantees must be in compliance with the Discrete Accounting Requirement.
- E. Expenditures and Discrepancies:** Grantee's CSG expenditures must comply with the General Provisions. Failure to comply or provide appropriate documentation may result in CPB requiring Grantee to repay to CPB a portion or all of the CSG funds it received.

In the event of an improper expenditure or any discrepancies or inaccuracies in CSG expenditures, whether reported by Grantee, discovered during the course of an audit, or otherwise, CPB may, in its discretion, reduce Grantee's CSG. In the event of a CSG reduction, CPB may decide whether to recover overpayment immediately or by reducing the current or future CSG awards. If CPB requires Grantee to return all or part of the overpayment, CPB will notify Grantee in writing of the action it intends to take.

- F. Penalty for Late Filing:** If Grantee files any of the following beyond the required deadline, its next CSG will be subject to a penalty. The penalty is up to 1/365th of the

³ CPB revised its records retention requirements effective FY 2015 pursuant to correspondence from Ted Krichels, Senior Vice President, System Development and Media Strategy, dated July 10, 2014; and a memo from Mary Mitchelson, CPB Inspector General, dated June 10, 2014.

next CSG for each day any of the following reports are late:

1. AFR or FSR;
2. Audited Financial Statements (if applicable); and
3. Annual SAS.

Section 4. Operational Requirements

Grantees must comply with the operational requirements below.

- A. **FCC Operating Requirements:** Grantees must comply with FCC requirements for the operation of a non-commercial educational radio station throughout the Spending Period. Failure to comply with FCC requirements and the terms of the station's broadcast license may, at CPB's discretion, result in the loss or return of CSG funding.
- B. **Operating Power:** Grantees 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 operating at less than 250 watts at certain times because of license restrictions, will remain CSG qualified if:
 1. the station meets all other requirements in the General Provisions; and
 2. CPB determines, in its sole discretion, that issuance of a CSG would further CPB's statutory goals of universal service and provide service to unserved or underserved audiences.
- C. **Broadcast Schedule:** Grantee's primary signal must have a broadcasting schedule of at least 18 consecutive hours per day, seven days per week, for 52 weeks per year. However, shared time radio stations meet this criterion if they operate at the maximum level authorized by the FCC.

The substantial majority of Grantee's daily total programming hours broadcast on its primary channel and all multicast channels must be devoted to CPB-Qualified Programming.

- D. **Locally Originated Program Service:** Grantee must originate a local program service designed to serve its community's needs and interests.
- E. **Facilities:** Grantees must have sufficient, professionally equipped on-air and production facilities to broadcast programming, of high technical quality, including the capability for simultaneous local production and origination. In addition, Grantees must provide sufficient office space suitable for station operations.

Section 5. Staffing Requirements

- A. **Staffing Requirements:** Grantees must employ at least the number of staff for their respective CSG levels as set forth in the following table.

CSG	Staffing Requirements
Level A	None
Level B	Two FT employees
Levels C and D	<p>Four FT employees, which may be met with a combination of FT employees and FTEs, provided no fewer than two employees are FT employees.</p> <p>All FT employees and FTEs must work on an annual (12-month) basis.</p> <p>At least two FT employees must be employed in a managerial and/or programming position.</p>

- B. Calculating FTE and FT employees:** Positions funded by the CSG shall not be counted toward satisfying the required FT employee or FTE professional minimum staffing requirements.
- C. On-the-Job Training:** 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 toward satisfying the minimum staffing requirements, nor shall personnel teaching or fulfilling other academic duties in excess of the equivalent of one three-hour credit course per quarter or semester.
- D. MASS Grantees:** Grantees may count FTE staff toward the FT employee staffing requirement.

Section 6. Minimum NFFS

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 explained below.

- A. Minimum NFFS Requirements:** Grantee must meet the minimum NFFS and NFFS direct revenue requirements below for its CSG Level, using its 2017 fiscal year AFR or FSR (whichever is applicable) to report NFFS according to CPB’s Financial Reporting Guidelines. NFFS direct revenue is total NFFS revenue less revenue for in-kind contributions and indirect administrative support.

CSG Level	Minimum NFFS	Minimum NFFS Direct Revenue
Level A (Sole Service)	None	None
Level B or C (MASS & RASS)*	\$100,000	\$50,000
Level B	\$300,000	\$150,000
Level C	\$300,000	\$150,000
Level D	\$500,000	\$250,000

* Stations that must have a minimum NFFS of \$100,000 include Minority Audience Service Stations (MASS) with a minority come composition of at least 75% and stations that meet the criteria for both MASS and RASS.

- B. First Notice:** If Grantee fails to satisfy its minimum NFFS requirement based on Grantee’s 2017 fiscal year AFR or FSR (whichever is applicable), CPB will provide Grantee with written notice of the same (first notice). After receiving the first notice, Grantee will continue to be eligible to participate in the FY 2019 CSG program.
 - C. Second Notice:** If, after receiving a first notice, Grantee applies for an FY 2020 CSG and is unable to meet its minimum NFFS requirement based on Grantee’s 2018 fiscal year AFR or FSR (whichever is applicable), CPB will notify Grantee in writing of its continued failure to comply (second notice). After receiving the second notice, Grantee will continue to be eligible to participate in the FY 2020 CSG program.
 - D. Ineligibility:** If, after receiving a first and second notice, Grantee applies for an FY 2021 CSG, and is unable to meet its minimum NFFS based on Grantee’s 2019 fiscal year AFR or FSR (whichever is applicable), Grantee will automatically become ineligible to receive a CSG in FY 2021 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 2019 fiscal year AFR or FSR (whichever is applicable), Grantee will continue to be eligible to participate in the FY 2021 CSG program.
- E. Recurring Non-Compliance:** If a Grantee, after receiving a first and second notice in consecutive years, is compliant when filing the required AFR or FSR (whichever is applicable), for the FY 2021 CSG, but unable in any of the subsequent four CPB fiscal years (FY 2022 through FY 2025), to meet its required minimum NFFS for that period, Grantee may be given either one or two additional years to become compliant.

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

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

Notice and Compliance	Eligible to Participate in CSG Program	Ineligible to Participate in CSG Program
Received First Notice – comply or fail to comply	✓	
Received Second Notice – comply or fail to comply	✓	
Received consecutive First and Second Notices – fail to comply thereafter		✓
Received consecutive First and Second Notices – meets FY 2021 and fails to comply anytime during FY 2022 - FY 2025		✓

Section 7. Audience Service Criteria

A. MASS Grantees: In order to receive a CSG, MASS Grantees must meet at a minimum 50 percent of at least one of the applicable index goals in the tables below.

B. CSG Level A: CSG Level A Grantees are not subject to the indices in either table.

C. CSG Levels B, C, and D: CSG Levels B, C, and D Grantees must meet either:

1. the News or Non-News Listening Index Goals set forth in the table below and associated with Grantee’s CAP; or
2. the News or Non-News Community Financial Support Index Goals set forth in the table below, and associated with Grantee’s CAP.

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

Listening and Community Financial Support Index Requirements		
FY 2019 Listening Index	OR	FY 2019 CFS Index
<u>Average AQH *10,000</u> CAP		<u>CFS *100</u> CAP
MASS Grantees need only meet one half of the applicable index. CSG Level A Grantees are not subject to the Index Requirements.		
Alternatively, CPB may agree to accept AQH measurements from any two Nielsen Radio survey periods within the 24 months preceding FY 2019, provided those survey periods are at least six months apart.		

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

D. First ASC Notice: A Grantee that fails to satisfy the applicable ASC when applying for a CSG and:

1. has met the applicable ASC when making application for a CSG during the four years prior to FY 2019 will be required to use the ASC Funds to cover all or a portion of the cost of Compliance Projects; and
2. will remain eligible for a CSG after receiving the first ASC notice, provided Grantee meets all other requirements in the General Provisions.

CPB will notify Grantee of said failure, which is deemed Grantee’s first ASC notice.

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

1. has failed to meet the applicable ASC when making application for a CSG during one or more of the four years prior to FY 2019, Grantee must use the ASC Funds to cover all or a portion of the cost of Compliance Projects; and
2. Grantee will remain eligible for an FY 2019 CSG after receiving the second ASC notice, provided Grantee meets all other requirements in the General Provisions. CPB reserves the right, after reviewing the circumstances surrounding Grantee’s operations, to determine, in its sole discretion, whether Grantee shall be considered as a recipient of a first or second ASC notice. CPB will notify Grantee in writing of its decision.

F. Loss of Eligibility: Grantees that have received a second ASC notice when applying for a CSG and failed to satisfy the applicable ASC requirement when applying for an FY 2019 CSG will not be eligible to participate in the CSG program.

G. Recovery of Eligibility: Grantees that have lost at any time their eligibility to receive a CSG because of failure to meet the applicable ASC requirements may be permitted to participate in FY 2019 and future years’ CSG programs if CPB, in its sole discretion, approves the same, and Grantee:

1. makes successful application to receive a CSG;
2. meets the applicable ASC requirements;

3. is found by CPB to be in compliance with the General Provisions; and
4. is not barred from participating in the current or future CSG program pursuant to a CPB management determination letter issued in response to an audit conducted by CPB’s Inspector General or otherwise.

H. Summary Table: The table below summarizes the ASC notice and compliance requirements.

ASC Notice and Compliance	Notice	Subject To Compliance Spending	Eligible to Participate in CSG Program	Ineligible to Participate in CSG Program
Received first notice – no failure in prior four years	1 st	✓	✓	
Received first notice – failed in prior four years	2 nd (unless CPB deems otherwise)	✓	✓	
Received consecutive first and second notices in FY 2017 and FY 2018 and failed to meet FY 2019 ASC requirements				✓

I. Compliance Project Expenditures: Expenditures that qualify for Compliance Projects include but are not limited to the following:

1. internal or external analyses of station operations;
2. acquisition of audience research;
3. investments in new local or national programming;
4. investments in new staff, provided the staff are not used to meet the minimum staffing requirements necessary for CSG eligibility; and
5. investments in increasing or improving development efforts.

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

Section 8. Diversity Statement

The Communications Act requires CPB to support diverse non-commercial educational content for unserved and underserved audiences. CPB’s goal, therefore, is to support stations in providing a wide variety of educational, informational, and cultural content that addresses the following elements of diversity: gender, age, race, ethnicity, culture, religion, national origin, and economic status. It is appropriate that Grantees engage in practices designed to reflect such

diversity of the populations they serve. In support of these objectives, Grantees must comply with the following.

- A. Annual Review:** Annually review and make any necessary revisions to the station's established diversity goal for its workforce, management, and boards, including community advisory boards and governing boards having governance responsibilities specific to or limited to broadcast stations.

- B. Diversity Statement:** Undertake the following to achieve Grantee's diversity goal.
 - 1. Annually review with the station's governing board or Licensee Official:
 - a. the diversity goal and any revisions thereto; and
 - b. practices designed to fulfill the station's commitment to diversity and to meet the applicable FCC guidelines (47 C.F.R. § 73.2080).
 - 2. Maintain on its website or make available at its central office, a diversity statement (approximately 500 words) that reflects on the following points, reviewing and updating the same annually with station management:
 - a. the elements of diversity that Grantee finds important to its public media work;
 - b. the extent to which Grantee's staff and governance reflect such diversity;
 - c. the progress Grantee has made to increase its diversity in the last two to three years; and
 - d. Grantee's diversity plans for the coming year.

- C. Annual Initiative:** Undertake one of the following initiatives on an annual basis:
 - 1. include individuals representing the diverse groups served by Grantee for internships or work-study programs, which must be designed to provide meaningful professional-level experience and further public broadcasting's commitment to education;
 - 2. include qualified diverse candidates in any slate of individuals considered for positions on elected governing boards that Grantee controls;
 - 3. provide diversity training for members of Licensee's governing body or board of directors;
 - 4. participate in minority or other diversity job fairs; or
 - 5. provide diversity training for management and appropriate staff.

- D. Recruiting:** Grantees are strongly encouraged to interview at least one qualified diversity candidate for each senior leadership position hire. The term "senior leadership position" includes: Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Content Officer, General Manager, and other equivalent positions.

Section 9. Transparency

- A. Public Inspection of Documents and Website Posting:** To ensure transparency and public confidence in the use of CPB funds, the Communications Act requires Grantees to make certain documents available for public inspection. As set forth below, CPB also requires public access to other documents, and specifies how all documents must be made available for inspection, either by maintaining them at Grantee’s office or by posting them on its station website.

Website posting is not mandatory for all documents, but Grantees are encouraged to post all required information, including meeting notices, for convenience of public access. For purposes of these General Provisions, “station website” includes the website of Grantee’s station, if it has one, and if not then its Licensee’s website or an affiliated station’s website. If Grantee has none of the foregoing, it may, with CPB’s approval, use a website shared by other public broadcasting stations.

- B. Documents for Public Inspection: Website Posting Required:** At a minimum, each Grantee must post the following for public inspection on its station website.

1. Station Senior/Executive Management: The names, titles and contact information;
2. Governing Body: A list of the members of its governing body;
3. CAB Members: A list of its CAB members; and
4. The most recent financial records (audited or unaudited financial statements and the AFR or FSR) as required by Section 2(C), Communications Act Requirements.

- C. Documents for Public Inspection: At Central Office or on Station Website:** At a minimum, each Grantee must maintain the following documents for public inspection at its central office, or post the same on its station website:

1. Diversity Statement (Section 8(B)(2)); and
2. LCSR which is Section 6 of the SAS.

Section 10: Training Requirements

- A. Annual Harassment Prevention Training:** To ensure that CPB-supported public media stations train their personnel to recognize, avoid and report workplace discrimination, including harassment, CPB requires annual harassment prevention training for all officers, employees, and interns of each station as a condition of Grantee’s CSG eligibility. Grantees may satisfy this requirement through either of the following training options:

1. An interactive online harassment prevention training service, available free of charge through CPB, that instructs your personnel, individually on the following topics:
 - What constitutes acceptable and unacceptable workplace behavior;
 - How to recognize harassment when it occurs; and
 - How to report and respond to violations.
2. A comparable harassment prevention training program of Grantee's choice. The program will be considered "comparable" if it instructs Grantee's personnel individually, either in person or online, on the three topics (listed above) that are included in the CPB-provided training service.

B. Annual CPB-sponsored Training: Grantees must annually complete at least one CPB-sponsored training session, including live webinars and in-person training presented by CPB.

Section 11. Donor Privacy

Grantees must meet all applicable federal and state laws and regulations regarding donor privacy and data security.

Section 12. CSG: Unrestricted and Restricted

Pursuant to the Communications Act, CSG funds distributed ". . . may be used at the discretion of the recipient for purposes related primarily to the production or acquisition of programming" (47 U.S.C. § 396(k)(3)(A)(iii)).

CSGs are divided into unrestricted and restricted amounts, each subject to the different spending constraints set forth below. However, both the unrestricted and restricted CSG amounts must be used to support Grantee's ability to expand the quality and scope of services it provides to the community it serves.

A. Unrestricted CSG:

Unrestricted CSG expenditures must fall into one of the following seven categories, which include salaries and benefits for personnel engaged in those activities. Grantee may not use any of the unrestricted CSG to cover salaries and benefits for FT employees or FTEs used to satisfy Grantee's Staffing Requirements, Section 5.

1. Programming, Production, and Services

Programming, Production, and Services include Programming and Production, Educational Programs, and Educational Outreach Activities as set forth below.

a. Programming and Production: The acquisition of programming, program operations, program development, program planning, production operations, editing, and the following:

- i. fees or dues to acquire broadcast rights for programs or series, or

- rights to use or adapt published materials;
- ii. program or web content planning and research (script writing, printing, and consulting) in support of programming or production;
- iii. directors, producers, cast, stagehands, engineers, technicians, and other personnel involved in programming or production;
- iv. rental of facilities to support programming and production;
- v. rental of production equipment;
- vi. space, supplies, and other station resources used in programming or production;
- vii. repair and maintenance of programming and production equipment; and
- viii. depreciation and amortization of station equipment and leasehold improvements used for programming and production purposes.

b. Educational Programs: The creation, production, or purchase of programs with educational intent or instructional design as defined below. Grantees must clearly identify the percentage of CSG funds used for the same.

- i. “Educational intent” is defined as content designed to address specific educational interests of a target audience.
- ii. “Instructional design” is defined as content having an educational intent and substantially involving educators in program development. This content includes ancillary materials to support or supplement the same. It also includes the costs of obtaining rights at the time of production for institutional off-air recording, audio visual, re-versioning, and other similar costs.

c. Educational Outreach Activities: Community outreach activities related to local or national programs and the following:

- i. local or national services that enable viewers and listeners to follow up on programs through computer, video, and audio conferencing;
- ii. town meetings;
- iii. local call-in shows;
- iv. public service announcements;
- v. telephone hot lines; and

- vi. the dissemination of related information and materials related to the items set forth above.
2. **Broadcasting, Transmission, and Distribution:** Broadcasting, transmission, distribution, and the following:
 - a. scheduling programs for airing;
 - b. repair and maintenance of broadcasting equipment;
 - c. depreciation of antennae, transmission, and other broadcasting equipment;
 - d. distribution and interconnection fees;
 - e. engineering; and
 - f. web hosting and streaming fees.
 3. **Program Information and Promotion:** Informing the viewing or listening public of available program services and the following:
 - a. producing or acquiring “spots” designed for the promotion of specific programs;
 - b. advertising in newspapers or other media;
 - c. preparing, reproducing, and distributing program guides;
 - d. travel and related expenses of promotion;
 - e. dues or fees related to this function; and
 - f. supporting services.
 4. **Fundraising and Membership Development:** Activities to persuade others to contribute money, securities, time, materials, or facilities to the station, such as:
 - a. solicitation of underwriting funds and grants;
 - b. membership development;
 - c. acquiring and distributing fundraising material;
 - d. designing, printing, and distributing leaflets or posters for fundraising;
 - e. meetings for improving fundraising techniques;
 - f. services of fundraising consultants and talent;
 - g. developing and maintaining contributor records;
 - h. committee meetings dealing with fundraising policies and issues, including the preparation of minutes and reports of such meetings;
 - i. program and production costs of broadcast appeals for funds;
 - j. mailing costs related to fundraising; and
 - k. direct costs of special fundraising activities and auctions.

5. **Underwriting and Grant Solicitation:** Soliciting program underwriting funds and general support grants from foundations, corporations, and governments.
6. **Management and General:** Supervising and controlling overall day-to-day operations, accounting, and office service activities, as well as:
 - a. human resource administration, including recruiting, retention, and benefit programs;
 - b. accounting, auditing, and budgeting;
 - c. information technology systems and support services, where not specifically devoted to other functions;
 - d. legal services of a general (non-program) nature;
 - e. all occupancy costs not specifically identifiable with other functions;
 - f. office functions that provide general support throughout the organization (e.g., corporate receptionists and telephone attendants, central mail services, and maintenance of corporate archives);
 - g. maintenance of operations manuals, directors' committee lists, and expenses related to governing board, CAB, or administrative committee meetings;
 - h. depreciation of buildings, furnishings, and equipment used in management and general functions; and
 - i. dues for public broadcasting station membership organizations.

This category also includes indirect costs:

- a. not directly identified with another function, that are indispensable to the conduct of those functions and to an organization's existence; and
 - b. associated with the overall direction of the entity's general board activities, business management, general recordkeeping, budgeting, and related purposes.
7. **Purchase, Rehabilitation, or Improvement of Capital Assets:** Purchase, rehabilitation, or improvement of capital assets, as well as:
 - a. expenditures to purchase, rehabilitate, or improve tangible capital assets, such as studio and station equipment, vehicles, buildings, and other structures; and
 - b. other capital assets funded with the CSG.

- B. **Restricted CSG:** Restricted CSG 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."

Accordingly, for all CSG Levels, the restricted portion of the CSG must be spent on

national program production and acquisition costs and 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, the restricted portion 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 Expenditures:** Production expenditures include Grantee's production of programs for national distribution and the payments Grantee makes directly to independent producers to produce programs for national distribution.
2. **Program and Content Acquisition Expenditures:** Program and content acquisition expenditures include payments to public broadcasting entities that act as producers and/or distributors for national programs. It also includes payments Grantee makes to acquire programs from producers (commercial and nonprofit), including independent producers acting as their own distributors, provided the programming is CPB-Qualified Programming.
3. **Distribution Expenditures:** Distribution expenditures include distribution/interconnection fees, uplink fees, satellite space costs, and supplies related to the national distribution of locally produced or acquired programming. It also includes broadcast, transmission, and technical costs. It does not include the cost of equipment.
4. **Promotion Expenditures:** Promotion expenditures include the costs of promoting acquired national programs and nationally distributed programs whether produced by Grantee or by independent producers under contract to Grantee.

Grantees must ensure that any program produced or acquired with the restricted portion of CSG funds must include appropriate and sufficient underwriter credit for CPB, identifying CPB's financial assistance whenever broadcast.

Section 13. Other CSG Spending Restrictions

Grantee's use of CSG funds is further restricted as follows:

- A. **Entertainment:** Grantee shall not use any CSG funds for any reception or entertainment for any officer or employee of the federal government, or any state or local government (47 U.S.C. § 396 (k)(2)(A)).

- B. Influencing Legislation:** Grantee shall not use any CSG funds to pay the salary or expenses of Grantee's staff, or its agents, related to any activity designed to support, defeat, or influence legislation or appropriations before Congress or any state legislature (26 U.S.C. § 501(c)(3)).

Grantee shall not use any CSG funds for activities designed to support, defeat, or influence legislation or appropriations pending before the Congress or any state legislature. This also refers to activities including, but not limited to:

1. publicity or propaganda; and
2. the creation, distribution, or use of any kit, pamphlet, booklet, social media communications, publication, and radio, television, or video presentation.

However, if these activities support a presentation Grantee makes to or at the request of the Congress, any state legislature, or in support of recognized executive-legislative relationships, they may be exempt (26 U.S.C. § 501(c)(3)).

- C. CPB-Qualified Programming:** Grantee shall not use any CSG funds to cover the cost of producing, acquiring, or distributing programs, unless they are for CPB-Qualified Programming.
- D. Restricting CSG Funds:** The Grantee may not impound or otherwise withhold or inappropriately restrict the station's use of CSG funds. CSG funds may not be used to supplant funds or reduce budgets for other support already being provided to the station(s) by the Grantee.
- E. Overhead Expenses:** Grantee shall not use CSG funds to offset a Licensee's overhead or for any other expenses not directly related to the operation of the station, unless such overhead and expenses are enumerated in Section 4, Operational Requirements.
- F. Sale of Assets:** Grantee shall use CSG funds and the proceeds from the sale of assets acquired with CSG funds solely for the benefit of the public broadcast radio station.
- G. Staffing Costs:** FT employees whose salaries are paid using CSG funds must exercise full-time responsibilities over the public broadcast radio station's operations. Grantee shall not require said personnel to perform duties unrelated to the public broadcast radio station's operation. For FT employees whose salaries are partially paid using CSG funds, Grantee shall ensure that the portion of their salary paid with CSG funds shall not exceed the percentage of said employees' time spent on the public broadcast radio station's operations.
- H. Standard Pricing:** Grantee shall not use CSG funds for personnel services, programming (production and acquisition) expenses, or the cost of technical facilities in excess of the standard amounts Grantee usually pays for the same under similar circumstances.

Section 14. Payment Schedule and Reporting Requirements

- A. Payment Schedule:** CSGs will be disbursed to Grantee in two installments. However, each CSG payment is contingent upon Grantee submitting all of the required forms, reports, and/or other documents required by CPB.
- B. CSG Offer Expiration:** Grantee must execute its CSG Agreement and Certification of Eligibility by June 30, 2019, or risk forfeiting its CSG as determined by CPB. If Grantee prefers to receive the CSG payment at a different date, Grantee must notify CPB in writing at csg@cpb.org.
- C. Reporting Requirements:** To avoid penalties and delayed disbursement of CSG payments, Grantees must submit all required documents and reports to CPB on time. The financial forms (AFR or FSR and financial statement) are due within five months after the close of Grantee's fiscal year. As a condition of receiving the CSG, each Grantee, regardless of level, must also complete and submit its annual SAS. The SAS data, including the station's LCSR, must be submitted to CPB by February 15. If Grantee submits its financial forms or SAS after the filing deadlines, as determined by CPB, Grantee will be subject to a financial penalty set forth in Section 3(F), Recordkeeping Requirements.

Grantees must submit either a consolidated AFR or FSR to CPB. Financial reporting requirements differ based upon Grantee's CSG Level.

- 1. CSG Level A or B Grantees:** Level A and B Grantees must file an FSR. Grantees in CSG Levels A or B that received Total Station Revenue of \$300,000 or more in the reporting year (i.e., Grantee's fiscal year) must also file an audited financial statement, and Grantee's 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:** Level C and D Grantees must file a separate AFR for each radio or television CSG it receives. Grantees in Levels C or D must also file an audited financial statement, but it may consolidate the financial reporting for multiple stations licensed to or operated by the same entity, even if Grantees benefit from more than one radio or television CSG.

CSG Level	Grantee TSR	Financial Form	Financial Statements Required
A and B	< \$300,000	FSR	Audited or Unaudited
A and B	≥ \$300,000	FSR	Audited
C and D	N/A	AFR	Audited

Section 15. Expenditure of CSG Funds

CSG funds must be expended during the Spending Period in accordance with the purposes and restrictions set forth in these General Provisions and Financial Reporting Guidelines, incorporated herein by reference. Any funds not expended during the Spending Period must be returned to CPB no later than November 3, 2020. Expenditures inconsistent with these shall be considered unauthorized expenditures and must be returned to CPB pursuant to Section 18, Return of Funds. Once the Spending Period expires, Grantee may not reallocate disallowed expenditures.

Section 16. Extent of CPB Commitment

CPB makes no commitment or representation, expressed or implied, to provide Grantee funds in excess of the CSG that Grantee qualifies for and CPB determines is appropriate.

Section 17. Termination

CPB reserves the right to terminate a Grantee's CSG if it fails to comply with the General Provisions, or provides inaccurate information to CPB in any certification required by the General Provisions or any CSG-related document. Upon termination, CPB may, in its sole discretion, require Grantee to return CSG funds pursuant to Section 18, Return of Funds.

Section 18. Return of Funds

- A. **Unused Funds:** All FY 2019 CSG funds that are not expended by September 30, 2020, must be returned to CPB on or before November 3, 2020.
- 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:** When a Grantee is no longer eligible to receive a CSG, CPB, in its sole discretion, may require Grantee to return CSG funds, as set forth below.
 1. In any of the situations described in paragraph (2) or (4) 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 19, Assignment, CPB may require the recipient to return an amount not to exceed the greater of: (a)

twenty percent of the sale price in the event of a sale, (b) twenty percent 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 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 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 (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 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 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 19, 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.

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.

- 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. If Grantee fails to return funds due to CPB, CPB reserves the right to offset said amount due against Grantee's future CSG payment(s).

Section 19. Assignment

Grantee may not assign any of its rights or obligations hereunder in whole or in part (even if a third party becomes responsible for providing programming for all or part of a station's broadcast schedule or some other aspect of Licensee's broadcast operations) without CPB's prior written consent. Any entity to which the rights and obligations under a CSG are assigned must comply with the General Provisions and certify the same.

Section 20. Nondiscrimination

Grantees must comply with the nondiscrimination provisions set forth below.

- A. Discrimination:** Grantee shall not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, or physical or mental handicap. 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. Laws and Regulations:** Grantee shall comply with all laws and regulations prohibiting discrimination on the basis of race, color, religion, age, sex, national origin, or physical or mental handicap that may be applicable to Grantee, including but not limited to the following:
1. Title III of the Public Telecommunications Financing Act of 1978 (47 U.S.C. § 398);
 2. Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2002e);
 3. Equal Pay Act of 1963 (29 U.S.C. § 206);
 4. Age Discrimination in Employment Act of 1967 (29 U.S.C. § 621-634);
 5. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2002d);
 6. Title IX of the Education Amendment of 1972 (20 U.S.C. § 1681);
 7. Title V of the Rehabilitation Act of 1973 (29 U.S.C. § 790-794); and
 8. FCC's regulations concerning equal employment opportunity (47 C.F.R. § 73.2080).
- C. Subcontracts:** Grantee must include the provisions of this Section in all subcontracts

and delegations it enters into in connection with the CSG.

Section 21. Equal Employment Opportunity

Grantee must certify in its CSG Agreement and Certification of Eligibility to CPB that it complies with the FCC Rules concerning equal employment opportunity (47 C.F.R. § 73.2080) and the equal employment opportunity requirements in the Communications Act (47 C.F.R. § 396 (k)(11) (A)).⁴

Section 22. Other Nondiscrimination Requirements

- A. Discrimination Claims:** Grantee acknowledges that CPB is a private, nonprofit corporation and does not have the legal authority to investigate and adjudicate complaints alleging discriminatory practices by Grantee. CPB will, therefore, refer all such complaints it receives 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 a Grantee.
- B. Applicable Laws and Regulations:** Grantee acknowledges that the 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 jurisdiction to jurisdiction.

Grantee represents and warrants that it knows, understands, and applies the laws and regulations regarding discrimination and acknowledges that CPB is under no obligation to advise the Grantee of the same unless required by law or regulation.

- C. Suspension or Cancellation of CSG:** Whenever a court or government agency with jurisdiction shall make a determination that 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 provided to CPB, CPB shall promptly notify Grantee that, unless 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 may suspend or cancel all CSG or other CPB funding.

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 Grantee that, unless Grantee can show cause to the contrary within 30 days, CPB shall suspend or cancel CPB assistance. If CPB decides to suspend or cancel such funding, all sums that would have been payable to 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.

⁴ FCC requirements are different from CPB's Employment Statistical Report requirements, which are detailed in Section 2(E), Communications Act Requirements.

Section 23. Governing Law and Jurisdiction

Except as otherwise required by law, the General Provisions and all instruments between Grantee and CPB related thereto shall be construed in accordance with the laws of the District of Columbia. Notwithstanding the jurisdiction of any other court, by accepting a CSG, 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 any program set forth in the General Provisions, or any matter related thereto. Grantee further agrees that in any action or proceeding commenced in any court in the District of Columbia, Grantee shall be deemed to have been duly served with process of such court when process is delivered to Grantee personally or by certified or registered mail (return receipt requested) within or outside of the District of Columbia.

Section 24. Amendment to General Provisions

CPB reserves the right, in its sole discretion, to amend the General Provisions and will notify Grantee of the same. Grantee will be required to comply with the amendments unless it notifies CPB otherwise in writing within 30 days of receipt of CPB's notification.

Upon receiving Grantee's notification, Grantee will be disqualified from the CSG program and Grantee shall immediately repay CPB any amounts due CPB under Section 18, Return of Funds.

Section 25. Headings

The headings contained herein are for convenience only and shall not be interpreted to limit or otherwise affect the provisions herein.

PART II. DEFINITIONS

The following terms are defined as set forth below.

- A. Annual Financial Report (AFR):** The financial information that Grantees must annually report to CPB, detailed in the FY 2018 [Financial Reporting Guidelines](#), which are incorporated herein by reference.
- B. Annual Financial Summary Report (FSR):** The financial information CPB permits certain Grantees to annually report to CPB in lieu of an AFR, detailed in the [Financial Reporting Guidelines](#).
- C. ASC:** Audience Service Criteria.
- D. ASC Funds:** Twenty-five percent of a station's CSG that is not restricted under Section 12, CSG: Unrestricted and Restricted.
- E. 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.
- F. Average AQH:** The average of the station's two prior years' AQH Persons, reported by Nielsen Radio in its spring survey period (e.g., to calculate the Listening Index for FY 2019 CSGs, Nielsen Radio's spring 2016 and spring 2017 AQH must be averaged).
- G. Calculation Document:** The document that identifies the methodology CPB applies to calculate the CSG that a Grantee is eligible to receive. The methodology is attached hereto and incorporated herein as Exhibit B.
- H. Communications Act:** The Communications Act of 1934, as amended (47 U.S.C. § 396, et seq.).
- I. Communications Act Compliance Booklet:** A booklet entitled "[Compliance, June 2018](#)" that explains certain Communications Act requirements applicable to CSG recipients which is incorporated herein by reference.
- J. Community Advisory Board (CAB):** An advisory body most radio stations are required to maintain pursuant to the Communications Act.
- K. Community Financial Support (CFS):** For Grantees required to file an AFR, their CFS is the total of the following lines in Schedule A of their 2017 fiscal year AFR:
 - 1. Line 3.1C Direct Support from Licensee
 - 2. Line 8 Foundations and Nonprofit Associations
 - 3. Line 9 Business and Industry
 - 4. Line 10 Memberships and Subscriptions
 - 5. Line 11 Revenue from Friends Groups (less any revenue included on Line 10)

- 6. Line 13 Net Auction Revenue
- 7. Line 14 Net Revenue from Special Fundraising Activities
- 8. Line 19 Gifts and Bequests from Major Donors

For Grantees required to file an Annual Financial Summary Report, their CFS is the total of Lines 4.1, and Lines 6 through 9 of their 2017 fiscal year FSR.

- L. Community Service Grant (CSG):** Unless otherwise identified, an FY 2019 Community Service Grant awarded to a radio station by CPB.
- M. Compliance Projects:** Projects designed and undertaken by a Grantee that is failing to meet the ASC to assist Grantee in becoming compliant with the same.
- N. Coverage Area Population (CAP):** The population within a station's coverage area based on contours specified by CPB (consistent with the rules and policies of the Federal Communications Commission) and the most recent population data published by the U.S. Census Bureau. 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.
- O. CPB:** The Corporation for Public Broadcasting.
- P. CPB-Qualified Programming:** General audience programming broadcast that serves a station's demonstrated community needs of an educational, informational, or cultural nature.

Programs that are not considered CPB-Qualified Programming include but are not limited to:

- 1. programming that furthers the principles of particular political or religious philosophies; and
 - 2. programming designed primarily for in-school or professional in-service audiences.
- Q. CSG Agreement and Certification of Eligibility:** The agreement each CSG applicant must submit to CPB electronically through CPB's Integrated Station Information System, certifying compliance with the terms and conditions of its CSG, including applicable requirements in the Communications Act and General Provisions.
 - R. CSG Levels:** There are four CSG levels: A, B, C, and D, which are determined by the metrics detailed in Exhibit B, attached hereto and incorporated herein by reference.
 - S. Discrete Accounting Requirement:** The use of unique accounting codes by CSG recipients to identify CSG funds – both revenues and expenses, restricted and unrestricted – so that both CPB and an auditor can discretely track those funds within the recipient's accounting system.

CSG recipients are not required to segregate CSG funds in separate bank accounts; commingling funds is allowable as long as the accounting system easily identifies transactions associated with a major activity (e.g., department, grant, contract, or other project).

- T. Effective Radiated Power (ERP):** As defined by the FCC, ERP is the product of the antenna power (transmitter output power less transmission line loss) times: the antenna power gain or the antenna field gain squared. Where circular or elliptical polarization is employed, ERP is applied separately to the horizontal and vertical components of radiation. For allocation purposes, ERP authorized is the horizontally polarized component of radiation only.
- U. Eligible Grantee:** A Grantee that is eligible to receive a CSG by meeting the requirements set forth herein.
- V. Employment Statistical Report:** The Grantee report identifying:
1. the 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. the number of job openings occurring during the course of the year.
- W. FCC:** The Federal Communications Commission.
- X. Financial Reporting Guidelines:** CPB's instructions on accounting for and reporting on a Grantee's use of CSG funds are set forth in the FY 2018 [Financial Reporting Guidelines](#), which are incorporated herein by reference.
- Y. Flagship Station:** When a Licensee has multiple stations, it is the station Grantee designates in CPB's Integrated Station Information System to receive the CSG.
- Z. Full-Time Employee (FT employee):** Permanent personnel employed by Grantee, Licensee or a parent company, subsidiary, affiliate, or third-party operator under contract with Licensee:
1. that possess the skills and expertise in the management, programming, production, promotion, development, or engineering areas of radio station operations;
 2. that are paid no less than the minimum federal hourly wage plus all benefits that Licensee (or a parent company, subsidiary, affiliate, or third-party operator under contract with Licensee) routinely provides to its FT employees; and
 3. whose terms of employment require working the number of hours that constitute a normal work week at said institution.

- AA. Full-Time-Equivalent Employees (FTE):** Two or more employees who, collectively, satisfy the criteria for an FT employee. However, an FTE need not receive all benefits that Licensee (or a parent company, subsidiary, affiliate, or third-party operator under contract with Licensee) provides to its FT employees.
- BB. Grantee:** The FCC station Licensee eligible to receive a CSG.
- CC. Joint Licensees:** Licensees eligible to receive television and radio CSGs.
- DD. Licensee:** The entity with a valid, renewable license from the United States Government to operate a full-power, noncommercial, educational radio station.
- EE. Licensee Official:** The chair of the Licensee’s governing board, or a designated senior level representative of the Licensee, who is not a member of the station’s management and who has the authority to enter into binding contracts and agreements on behalf of the Licensee.
- FF. Local Content and Service Report (LCSR):** The annual report that Grantees must submit to CPB in the Station Activity Survey (Section 6) on the content and services they provide to serve local needs, including quantitative and qualitative information about the impact of the local services in their communities.
- GG. 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 are deemed MASS if they meet at least one of the criteria below.
1. A measured minority audience composition (cume) greater than 51 percent averaged over the previous three consecutive measured quarters⁵;
 2. The station is licensed to a designated Historically Black College or University⁶;
or
 3. The station is licensed to:
 - a. a Native American Tribe⁷;
 - b. a consortium of Native American Tribes; or
 - c. an entity⁸ controlled by a Native American Tribe, its community of license is within recognized tribal lands, and a substantial portion of its coverage area

⁵ In markets where audience measurements (i.e., Nielsen Radio) are not available or 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. Stations with a CAP minority composition greater than 50 percent may be recognized as MASS.

⁶ As defined by the Higher Education Act of 1965, 20 U.S.C. §1601, et seq., as amended.

⁷ Native American Tribe means any Native American Indian or Alaska Native tribe, band, pueblo, village, or community within the continental United States that the Secretary of the Interior presently acknowledges to exist as an Indian tribe (25 C.F.R. §83.1).

⁸ CPB considers an entity controlled by a Native American Tribe if: 1) a majority of the entity’s governing body’s voting members are enrolled Native American Tribe members and their lands are served by the station, or 2) the majority of the entity’s governing body’s voting members are appointed by a Native American Tribe.

includes tribal lands.

HH. News Station: Stations airing news for 75 percent of their broadcast schedule from 6:00 a.m. to 7:00 p.m. Monday – Friday.

II. Nonaffiliated Third Party: Any person, company, partnership, or other party that is not controlled by or acting on behalf of, or at the request of, the Grantee for the purpose of fundraising, underwriting, or development for the station.

JJ. Non-Federal Financial Support (NFFS): The total cash and the fair market value of property and services Grantee 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 and definitions of what revenues qualify as NFFS are contained in the FY 2018 [Financial Reporting Guidelines](#), and in the [Principles of Accounting](#).

KK. Overlapping stations: A Licensee that owns more than one public radio station with individual CAPs that overlap by 50 percent or more.

LL. Principles of Accounting: Application of Accounting and Financial Reporting to Public Telecommunications Entities, May 2005 edition.

MM. Rural Audience Service Station (RASS): A station with a CAP density equal to or less than 40 people per square kilometer.

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

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 CSG as a Sole Service provider. Sole Service stations are deemed CSG Level A Grantees.

OO. Spending Period: The period of time within which CSG funds may be expended, which begins October 1, 2018, and ends September 30, 2020.

PP. Station Activity Survey (SAS): The survey that CPB uses to collect information on station operations to enable CPB to advocate the interests of public broadcasting, assist stations and other public broadcasting organizations with planning and evaluation, study and anticipate industry-wide trends, and calculate CSG payments.

QQ. Total Station Revenue (TSR): For stations filing an AFR, the TSR is the total of the following lines in a station's AFR:

1. Schedule A: Line 22 Total Direct Revenue;
2. Schedule B: Tab 3: Line 5 Indirect Administrative Support;
3. Schedule C: Line 6 Total In-Kind Revenue; and
4. Schedule D: Line 8 Total In-Kind Revenue.

For stations filing an FSR, the TSR is the sum reported on Line 17 of Part 1 of the station's FSR.

Exhibit A

CSG-Related Documents

Below is a list of documents that also govern Grantee's CSG

1. CSG Agreement and Certification of Eligibility
2. Financial Reporting Guidelines
3. Principles of Accounting
4. CSG Non-compliance Policy, January 2016

Grantees must annually complete and submit to CPB the Adding or Removing Transmitters & Translators Form to update station records.

Grantees that transfer their license to another CSG-qualified station must complete and submit to CPB for its approval, the CPB Consent to Assignment Agreement 2019 form.

If transferring a license to a non-CSG-qualified station, Grantees must complete and submit to CPB for its approval, the Radio Community Service Grant Qualified Licensee Approval form.

Exhibit B

Calculation Document

CSG Level	Coverage Area Population Density PD = people/sq. km.	NFFS [^]	Staffing Requirement	ASC	Projected CSG Base Grant	NFFS Incentive Eligibility [†]	MASS Applied to CSG Base Grant and NFFS up to \$5 million
A	Only Radio or TV Broadcast Signal Within 50-mile Radius	-	-	No	\$100,000	No	1.50
B*	Any	\$300,000	2	Yes	\$72,313	No	1.50
C	≤ 40 PD	\$300,000	4 (min. of 2 FT)	Yes	\$72,313	Yes (Incentive based on 1.25 x NFFS for non-MASS grantees)	1.50 (base grant) 1.75 (NFFS)
D	> 40 PD	\$500,000	4 (min. of 2 FT)	Yes	\$57,850	Yes	1.50

[^] Stations that must have a minimum NFFS of \$100,000 include Minority Audience Service Stations (MASS) with a minority cume composition of at least 75% and stations that meet the criteria for both MASS and RASS.

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

‡ MASS grantees may meet the Staffing Requirement with FTEs.

© Levels A and C (shaded above) benefit from CPB Rural Audience Service Station Support.

† FY 2019 Radio Incentive Rate of Return (IRR) is estimated at 5.2 cents for every dollar of NFFS (Non-Federal Financial Support).