



U.S. Department
of Transportation

**Federal Transit
Administration**

CIRCULAR

FTA C 5010.1F

November 1, 2024

Subject: AWARD MANAGEMENT REQUIREMENTS

1. **PURPOSE.** This circular is a reissuance of guidance (previously “Award Management Requirements”) for award administration and management activities for all applicable Federal Transit Administration (FTA) Federal assistance programs. This circular incorporates provisions of the Infrastructure Investment and Jobs Act (IIJA; Pub. L. 117-58 (2021)) and the most current guidance as of the date of publication. In cases where this circular is inconsistent with changes in any statute or regulation, the statute or regulation will supersede this circular. This circular is applicable as of November 1, 2024.

This circular revision also incorporates provisions of U.S. Department of Transportation (USDOT) regulations, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 1201. These regulations incorporate by reference the Office of Management and Budget (OMB), “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 200, which supersedes the former OMB circulars on Uniform Administrative Guidance (49 CFR Parts 18 and 19). The most recent updates to 2 CFR Part 200 were published on April 22, 2024, (89 FR 30046) and are effective October 1, 2024. The date of an award or amendment adding funds may determine the application of the specific regulatory requirements.

These requirements are intended to assist recipients in administering FTA-funded projects and in meeting the responsibilities and reporting requirements of FTA awards. Recipients have a responsibility to comply with regulatory requirements and to be aware of all pertinent materials to assist in the management of their federally assisted awards. Recipients should familiarize themselves with all applicable legal authorities relevant to their transit operations and Federal awards.

2. **CANCELLATION.** When final, this circular will cancel FTA Circular 5010.1E, “Award Management Requirements,” dated July 16, 2018.

3. AUTHORITY.
 - a. Federal Transit Laws, codified at 49 U.S.C. Chapter 53
 - b. 49 CFR 1.91
 - c. 2 CFR 200
 - d. 2 CFR 1201.1
 - e. 42 U.S.C. 4601 et seq.; 49 CFR Part 24
4. WAIVER. FTA reserves the right to waive any provisions of this circular to the extent permitted by Federal law or regulation.
5. FEDERAL REGISTER NOTICE. In association with the publication of this circular, a Federal Register notice will be published.
6. AMENDMENTS TO THE CIRCULAR. FTA reserves the right to update this circular to reflect changes in other revised or new guidance and regulations that undergo notice and comment, without further notice and comment on this circular. FTA will post updates on the [FTA website](#). The website allows the public to register for notification when FTA issues Federal Register notices or new guidance. Please visit the website and click on “Subscribe to Email Updates” for more information.
7. ACCESSIBLE FORMATS. This document is available in accessible formats upon request. To obtain paper copies of this circular as well as information regarding these accessible formats, call FTA’s Administrative Services Help Desk at 202-366-4865. Individuals with hearing impairments may contact the Federal Relay Service at 1-800-877-8339 for assistance with the call.

Veronica Vanterpool
Deputy Administrator

The contents of this document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies. Recipients and subrecipients should refer to statutes and regulations for applicable requirements.

TABLE OF CONTENTS

| | |
|---|--------------|
| CHAPTER I: INTRODUCTION AND BACKGROUND | I-1 |
| 1. THE FEDERAL TRANSIT ADMINISTRATION (FTA)..... | I-1 |
| 2. AUTHORIZING LEGISLATION AND GUIDANCE..... | I-1 |
| 3. HOW TO CONTACT FTA..... | I-2 |
| 4. DEFINITIONS AND ACRONYMS..... | I-2 |
| CHAPTER II: CIRCULAR, FTA PROGRAMS, AND GRANTS MANAGEMENT OVERVIEW | II-1 |
| 1. GENERAL | II-1 |
| 2. APPLICABLE PROGRAM DESCRIPTIONS | II-2 |
| 3. ROLES AND RESPONSIBILITIES OF THE MANAGEMENT OF AWARDS | II-6 |
| 4. FTA’S TRANSIT AWARD MANAGEMENT SYSTEM (TRAMS)..... | II-9 |
| 5. CIVIL RIGHTS REQUIREMENTS | II-9 |
| 6. PROCUREMENT..... | II-15 |
| 7. CROSS-CUTTING REQUIREMENTS..... | II-21 |
| 8. PROJECT SIGNAGE..... | II-33 |
| CHAPTER III: AWARD DEVELOPMENT AND ADMINISTRATION..... | III-1 |
| 1. OVERVIEW..... | III-1 |
| 2. PRE-AWARD PLANNING AND DEVELOPMENT..... | III-2 |
| 3. PRE-AWARD AND AWARD PREREQUISITES. | III-13 |
| 4. APPLICATION PROCESS..... | III-16 |
| 5. PRE-AWARD AUTHORITY | III-18 |
| 6. POST-AWARD ADMINISTRATION..... | III-19 |
| 7. MODIFICATIONS TO THE AWARD | III-31 |
| 8. AWARD CLOSEOUT | III-37 |
| 9. SUSPENSION AND TERMINATION | III-40 |
| 10. RETENTION AND ACCESS REQUIREMENTS FOR RECORDS..... | III-42 |
| CHAPTER IV: PROPERTY ADMINISTRATION AND AWARD MANAGEMENT ... | IV-1 |
| 1. GENERAL | IV-1 |
| 2. REAL PROPERTY | IV-4 |
| (A) | IV-9 |
| 3. EQUIPMENT AND SUPPLIES (INCLUDING ROLLING STOCK)..... | IV-30 |
| CHAPTER V: FTA OVERSIGHT | V-1 |
| 1. GENERAL | V-1 |
| 2. PROGRAM OVERSIGHT..... | V-1 |
| 3. SAFETY OVERSIGHT | V-4 |
| 4. MAJOR CAPITAL PROJECT OVERSIGHT | V-5 |
| CHAPTER VI: FINANCIAL MANAGEMENT | VI-1 |
| 1. GENERAL | VI-1 |

| | | |
|--|--|------------|
| 2. | INTERNAL CONTROLS | VI-1 |
| 3. | NON-FEDERAL SHARE OR LOCAL MATCH..... | VI-5 |
| 4. | ADDITIONAL SOURCES OF NON-FEDERAL OR LOCAL SHARE | VI-6 |
| 5. | FINANCIAL PLAN | VI-10 |
| 6. | FEDERAL PRINCIPLES FOR DETERMINING ALLOWABLE COSTS..... | VI-11 |
| 7. | INDIRECT COSTS | VI-14 |
| 8. | PROGRAM INCOME..... | VI-17 |
| B. | | VI-18 |
| 9. | SINGLE AUDIT | VI-20 |
| 10. | PAYMENT PROCEDURES..... | VI-22 |
| 11. | DEOBLIGATION OF FEDERAL ASSISTANCE..... | VI-26 |
| 12. | DEBT SERVICE RESERVE | VI-26 |
| APPENDIX A: REQUIRED PREREQUISITE DOCUMENTATION | | A-1 |
| APPENDIX B: AWARD DEVELOPMENT | | B-1 |
| 1. | INTRODUCTION..... | B-1 |
| 2. | PREAPPLICATION STAGES | B-1 |
| 3. | APPLICATION SUBMISSION..... | B-2 |
| 4. | DEVELOPING THE BUDGET..... | B-4 |
| 5. | APPLICATION SUBMISSION AND EXECUTION | B-9 |
| 6. | APPLICATION CHECKLIST | B-10 |
| 7. | RECIPIENT FLEET SUMMARY | B-12 |
| 8. | ECHO CASH MANAGEMENT PROCEDURES AND FORMS | B-13 |
| APPENDIX C: POST-AWARD MODIFICATIONS..... | | C-1 |
| 1. | GENERAL | C-1 |
| 2. | POST-AWARD..... | C-1 |
| 3. | PRIOR APPROVAL | C-3 |
| 4. | BUDGET REVISION | C-4 |
| 5. | ADMINISTRATIVE AMENDMENT..... | C-5 |
| 6. | GRANT AMENDMENT | C-5 |
| APPENDIX D: REAL ESTATE ACQUISITION MANAGEMENT PLAN | | D-1 |
| 1. | GENERAL | D-1 |
| 2. | RAMP CONTENT | D-1 |
| APPENDIX E: GUIDE FOR PREPARING A REAL ESTATE APPRAISAL SCOPE OF WORK | | E-1 |
| 1. | GENERAL | E-1 |
| 2. | EXAMPLE | E-1 |
| 3. | ENVIRONMENTAL CONDITIONS | E-4 |
| APPENDIX F: ROLLING STOCK STATUS REPORT | | F-1 |
| 1. | GENERAL | F-1 |
| 2. | REPLACEMENTS AT THE END OF THE MINIMUM USEFUL LIFE | F-1 |
| 3. | EARLY DISPOSITION | F-1 |
| 4. | EXAMPLE | F-2 |

APPENDIX G: EQUIPMENT DISPOSITION SCENARIOS G-1

- 1. GENERAL G-1
- 2. APPLICATION OF INSURANCE PROCEEDS WHEN THE INSURANCE PROCEEDS ARE GREATER THAN THE REMAINING FEDERAL INTEREST IN THE DAMAGED OR DESTROYED PROPERTY BEFORE THE END OF THE ASSET’S USEFUL LIFE G-1
- 3. APPLICATION OF INSURANCE PROCEEDS WHEN THE INSURANCE PROCEEDS ARE LESS THAN THE REMAINING FEDERAL INTEREST IN THE DAMAGED OR DESTROYED PROPERTY BEFORE THE END OF THE ASSET’S USEFUL LIFE..... G-2
- 4. LIKE-KIND EXCHANGE (BEFORE THE END OF THE ASSET’S USEFUL LIFE.... G-3
- 5. LIKE-KIND EXCHANGE (BEFORE THE END OF THE ASSET’S USEFUL LIFE.... G-4

APPENDIX H: COST ALLOCATION PLANS H-1

- 1. GENERAL H-1
- 2. GENERAL CAP REQUIREMENTS H-2
- 3. DOCUMENTATION REQUIREMENTS H-3
- 4. SUBMISSION REQUIREMENTS H-3
- 5. FTA-SPECIFIC SUBMISSION REQUIREMENT H-4
- 6. CAP REVIEW AND APPROVAL H-4
- 7. FTA REPORTING REQUIREMENTS H-5
- 8. REFERENCES H-5

APPENDIX I: INDIRECT COST RATE PROPOSALS I-1

- 1. GENERAL I-1
- 2. DOCUMENTATION REQUIREMENTS I-2
- 3. SUBMISSION REQUIREMENTS..... I-4
- 4. ICRP REVIEW AND APPROVAL I-5
- 5. FTA APPLICATION AND REPORTING REQUIREMENTS I-6
- 6. REFERENCES I-6

APPENDIX J: REFERENCES..... J-1

TABLES AND ILLUSTRATIONS

ILLUSTRATION III-1: AWARD LIFE CYCLE III-1

TABLE VI-1: SAMPLE NON-FEDERAL SHARE CREDIT CALCULATION..... VI-8

TABLE B-1: PROJECT SCOPE (SAMPLE 1) B-6

TABLE B-2: PROJECT SCOPE (SAMPLE 2) B-7

TABLE B-3: PRESENTING SUBRECIPIENT INFORMATION (FORMAT OPTION 1) B-8

TABLE B-4: PRESENTING SUBRECIPIENT INFORMATION (FORMAT OPTION 2) B-8

| | |
|--|-------------------------------------|
| TABLE B-5: OPERATING ASSISTANCE | ERROR! BOOKMARK NOT DEFINED. |
| ILLUSTRATION B-1: RECIPIENT FLEET SUMMARY SCREENSHOT | B-13 |
| TABLE C-1: POST-AWARD MODIFICATION SCENARIOS | C-2 |
| TABLE D-1: ACQUISITION PROCESS PROCEDURES..... | D-2 |
| TABLE D-2: RELOCATION PROCESS..... | D-4 |
| TABLE D-3: DOCUMENT CONTROL PROCEDURES | D-5 |
| TABLE F-1: ROLLING STOCK STATUS REPORT | F-3 |

CHAPTER I:

INTRODUCTION AND BACKGROUND

1. THE FEDERAL TRANSIT ADMINISTRATION (FTA). FTA is one of 10 operating administrations within the U.S. Department of Transportation (USDOT). Headed by an administrator appointed by the President of the United States, FTA functions through a Headquarters Office in Washington, DC, 10 Regional Offices, and several Metropolitan Offices that assist transit agencies in all 50 States; the District of Columbia; Puerto Rico; the U.S. Virgin Islands; Guam; Northern Mariana Islands; American Samoa; and federally recognized Indian tribes.

As defined in 49 U.S.C. 5302, “public transportation” means “regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income” and does not include “intercity passenger rail transportation [provided by Amtrak], intercity bus service, charter bus service, school bus service, sightseeing service, courtesy shuttle service for patrons of one or more specific establishments, or intra-terminal or intra-facility shuttle services.” Public transportation can be either fixed-route or demand-response service. It generally includes but is not limited to transportation services provided by buses; heavy rail; light rail; commuter rail; fixed guideway; bus rapid transit; passenger ferryboats; trolleys; inclined railways; people movers; vans; streetcars; jitneys; and aerial tramways.

The Federal Government, through FTA, provides financial assistance to develop new transit systems and improve, maintain, and operate existing systems. FTA oversees thousands of awards with hundreds of State and local transit providers primarily through its 10 Regional Offices. Recipients and subrecipients of Federal assistance are responsible for managing their projects and programs in accordance with Federal requirements, and FTA is responsible for ensuring that recipients follow Federal statutory and administrative requirements. FTA monitors the awards for compliance with Federal statutory and administrative requirements. FTA is also authorized to establish national standards and requirements, to conduct necessary safety oversight, and to issue directives to ensure the safety of the Nation’s public transportation systems.

2. AUTHORIZING LEGISLATION AND GUIDANCE. Most Federal transit laws are codified at 49 U.S.C. Chapter 53. Authorizing legislation enacted by Congress establishes or continues the legal operation of a Federal program or agency. FTA’s most recent authorizing legislation is the Infrastructure Investment and Jobs Act (IIJA), Pub. L. 117-582, signed into law on November 15, 2021. The legislation reauthorizes Surface Transportation Programs (STPs) for Fiscal Year (FY) 2022 through FY 2026.

The Fixing America’s Surface Transportation (FAST) Act authorized FTA programs FY 2016 through 2021; the Moving Ahead for Progress in the 21st Century Act (MAP-21) authorized FTA programs for FY 2013 through FY 2015; and the Safe, Accountable,

Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) authorized FTA programs from FY 2005 through FY 2012. Changes have been added to this circular to reflect the IIIA provisions applicable to Federal transit and other laws that have become effective since the circular was last published in 2018.

This circular revision also incorporates provisions of the Office of Management and Budget (OMB), “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 200, as it has been adopted by USDOT at 2 CFR Part 1201.

USDOT regulations, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 1201, supersede and replace the requirements of the DOT Common Rule, former 49 CFR Parts 18 and 19, except that former 49 CFR Parts 18 and 19 will continue to apply to grant and cooperative agreements awarded before December 26, 2014, as in effect on the date of such grant or cooperative agreements. CFR copies of the former OMB circulars are available on [OMB’s website](#).

3. HOW TO CONTACT FTA. FTA’s Regional and Metropolitan Offices are responsible for managing financial assistance to FTA recipients and oversight of implementation for most FTA programs. Certain programs are the responsibility of FTA’s Headquarters Offices. Inquiries should be directed to either the FTA Regional or Metropolitan Office responsible for the geographic area in which the recipient is located. See [FTA’s website](#) for contact information. For further information visit the [FTA website](#) or contact FTA at the following address and phone number:

Federal Transit Administration
Office of Communications and Congressional Affairs
1200 New Jersey Avenue SE
Room E56–205
Washington, DC 20590
Phone: 202-366-4043
Fax: 202-366-3472

4. DEFINITIONS AND ACRONYMS. All definitions in 49 U.S.C. 5302 and 2 CFR Part 200, subpart A apply to this circular, as do the following definitions:
 - a. Definitions.
 - (1) Accrual Basis of Accounting: The accounting method in which income is recorded when earned instead of when received and expenses are recorded when incurred instead of when paid. Recipients use the accrual basis of accounting when reporting on the Federal Financial Report (FFR) items E–U.
 - (2) Acquisition Cost: The (total) cost of the asset, including the cost to prepare the asset for its intended use. The acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for its

intended purpose. Acquisition costs for software include those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Other charges, such as the cost of inspection, installation, transportation, taxes, duty, or protective in-transit insurance, should be treated in accordance with the applicant's or recipient's regular accounting practices, as separate line items. The cost of items separately acquired and removable from rolling stock, such as fareboxes and radios, is treated as a separate acquisition and not as part of the cost of the vehicle if not included in the procurement of rolling stock.

- (3) Activity Line Item (ALI): The detailed description narrative and dollar amount to more fully explain the scope of work of that activity. Every ALI is associated with a specific Scope Code; the relationship between Scope Codes and ALIs is outlined in FTA's "ALI Tree." A sufficient level of information must be provided for each ALI for FTA and the recipient to manage activities approved as part of the award.
- (4) Administrative Amendment: A minor change to an award initiated by FTA to modify or clarify certain terms, conditions, or provisions of a grant or cooperative agreement.
- (5) Administrative Settlement: A settlement in which: (1) the purchase price for property may exceed the amount offered as just compensation when reasonable efforts to negotiate an agreement at that amount have failed, and (2) an authorized Federal agency official approves such an arrangement. The arrangement must be reasonable, prudent, and in the public interest.
- (6) Advance Payment: A payment that a Federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the recipient or subrecipient disburses the funds for program purposes.
- (7) Allocation: The process of assigning a cost or a group of costs to one or more cost objectives in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning one or more costs directly to a final cost objective or through one or more intermediate cost objectives.
- (8) Allowable Cost: Applicable Office of Management and Budget (OMB) cost principles of 2 CFR Part 200 for awards made on or after December 26, 2014, and OMB cost principles for awards made before December 26, 2014, as stated in former 2 CFR Parts 220, 225, and 230, as applicable. USDOT program regulations, and the terms of the grant or cooperative agreement or other written agreement with the subrecipient, must be followed in allowability and allocability of costs.
- (9) Amendment: The modification of an award that includes a significant change in scope of work and/or change in Federal assistance, as approved by FTA.

-
- (10) Applicant: An entity that is seeking but has not yet been awarded specific Federal assistance directly from FTA in the form of a grant or cooperative agreement.
 - (11) Application: A complete application submitted to FTA for an award of Federal assistance to an eligible recipient in the form of money, or property in lieu of money, by the Federal Government through a grant or cooperative agreement.
 - (12) Apportionment: The amount of formula FTA Federal assistance funds allotted to recipients, including States and Urban Areas (UZA), based on the relevant fiscal year's appropriation legislation.
 - (13) Assistance Listings (formerly Catalog of Federal Domestic Assistance (CFDA) numbers): The publicly available listings of Federal assistance programs. Assistance listing numbers are also used by organizations to search for assistance programs on Grants.gov. The assistance listing number is referenced in every solicitation and the Notice of Award.
 - (14) Associated Capital Maintenance: A category of capital project activities that is defined as equipment, tires, tubes, and material, each costing at least 0.5 percent of the current fair market value of rolling stock comparable to the rolling stock for which the equipment, tires, tubes, and material are to be used; and the reconstruction of equipment and material, each of which after reconstruction will have a fair market value of at least 0.5 percent of the current fair market value of rolling stock comparable to the rolling stock for which the equipment and material will be used. See 49 U.S.C. 5302.
 - (15) Associated Transit Improvement: With respect to any project or an area to be served by a project, projects that are designed to enhance public transportation service or use and that are physically or functionally related to transit facilities. Eligible projects are: (1) historic preservation, rehabilitation, and operation of historic public transportation buildings, structures, and facilities (including historic bus and railroad facilities) intended for use in public transportation service; (2) bus shelters; (3) functional landscaping and streetscaping, including benches, trash receptacles, and street lights; (4) pedestrian access and walkways; (5) bicycle access, including bicycle storage shelters and parking facilities and the installation of equipment for transporting bicycles on public transportation vehicles; (6) signage; or (7) enhanced access to public transportation for persons with disabilities.
 - (16) Audit Finding: The deficiencies that the auditor is required to report in the schedule of findings and questioned costs as required by 2 CFR 200.516(a).
 - (17) Auditee: Any recipient or subrecipient that expends Federal assistance that must be audited as required under 2 CFR Part 200, subpart F.

-
- (18) Auditor: A public accountant or a Federal, State, or local government or Indian Tribe audit organization that meets the general standards specified in Generally Accepted Government Auditing Standards (GAGAS), as required for the purpose of conducting Single Audits (see 2 CFR 200.1). The term auditor does not include internal auditors of nonprofit organizations. Auditor may also mean an individual who performs other non-financial audits, as deemed necessary by FTA.
- (19) Award: See Federal Award.
- (20) Award Budget: The financial plan for the Federal award that FTA approved during the Federal award process or in subsequent budget revisions or amendments. It may include the Federal and non-Federal share or only the Federal share, as determined by FTA or a pass-through entity.
- (21) Brownfields: The Environmental Protection Agency (EPA) defines “brownfields” as real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. These properties have lower levels of contamination than Superfund sites, but they are still a health risk and economic detriment to the communities where they are located.
- (22) Budget Revision: Any change of budget allocations within the award and the overall award budget that has minor impact on the budget allocations of the original award.
- (23) Capital Asset: A unit of rolling stock, land, a facility, a unit of equipment, an element of infrastructure, or intellectual property (including software), with a useful life of more than one year that is capitalized in accordance with generally accepted accounting principles (GAAP). A capital asset also includes an addition, improvement, modification, replacement, rearrangement, reinstallation, renovation, or alterations to capital assets that materially increase the value of the asset (apart from ordinary repairs and maintenance). Capital assets do not include intangible right-to-use assets (per Government Accounting Standards Board (GASB)) and right-to-use operating lease assets (per Financial Accounting Standards Board (FASB)).
- (24) Capital Expenditures: Expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

-
- (25) Capital Lease: A transaction meeting certain criteria set forth in Chapter IV.3.(n)(1) of this circular in which the recipient acquires the right to use a capital asset. For purposes of Section 3019 of the FAST Act, capital lease means any agreement under which a recipient acquires the right to use rolling stock or related equipment for a specified period of time, in exchange for a periodic payment.
- (26) Capital Project: A category of reimbursable projects that includes all activities identified in 49 U.S.C. 5302(4).
- (27) Cash Basis of Accounting: The method in which revenue is recorded when received, rather than when earned, and expenses are recorded when paid, rather than when incurred. Recipients use the cash basis of accounting when reporting on the FFR items A–D.
- (28) Claim: Depending on the context, either: (1) a written demand or written assertion by one of the parties to a Federal award seeking as a matter of right: (a) the payment of money in a sum certain, (b) the adjustment or interpretation of the terms and conditions of the Federal award, or (c) other relief arising under or relating to a Federal award; or (2) a request for payment that is not in dispute when submitted.
- (29) Closeout: The process by which FTA, or a pass-through entity, determines that the scope of work of the Federal award and all applicable administrative actions, including actions described in 2 CFR 200.344, have been met or FTA has determined that the award should be terminated.
- (30) Cognizant Agency for Audit: The Federal agency designated to carry out the responsibilities described in 2 CFR 200.513(a). The cognizant agency for audit is not necessarily the same as the cognizant agency for indirect costs. A list of cognizant agencies for audit may be found at the [Federal Audit Clearinghouse \(FAC\) website](#).
- (31) Cognizant Agency for Indirect Costs: The Federal agency responsible for reviewing, negotiating, and approving Cost Allocation Plans (CAPs) or indirect cost proposals developed on behalf of all Federal agencies. The cognizant agency for indirect costs is not necessarily the same as the cognizant agency for audit. See appendices of 2 CFR Part 200 for further information regarding assignment of cognizant agencies and about cost identification, assignment, and rate determinations for State and local governments, Indian tribes, nonprofit organizations, and institutions of higher education.
- (32) Computing Devices: Machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting, and receiving, or storing electronic information.

-
- (33) Contingency Fleet: Inactive rolling stock reserved or retained for emergencies or other unforeseen, justified, and FTA-approved activities. A contingency fleet is separate from the spare fleet and is not included in the spare ratio.
- (34) Cooperative Agreement: A legal instrument of financial assistance between a Federal awarding agency and a recipient or a pass-through entity and a subrecipient that is consistent with 31 U.S.C. 6302 and 6305, that: (1) is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see 31 United States Code (U.S.C.) 6101(3) for the definition of “assistance”) and not to acquire property or services for the Federal Government or pass-through entity’s direct benefit or use; and (2) is distinguished from a grant in that it provides for substantial involvement of the Federal awarding agency in carrying out the activities of the Award. At a minimum, FTA’s role generally includes the right to participate in decisions to redirect and reprioritize project activities, goals, and deliverables. FTA Circular 6100.1E, “Research, Technical Assistance and Training Program: Application Instructions and Program Management Guidelines,” provides specific guidance regarding cooperative agreements including application requirements, award budget and Statement of Work changes, and disposition of property.
- (35) Coordinated Public Transit–Human Services Transportation Plan: A locally developed, coordinated transportation plan that identifies the transportation needs of individuals with disabilities, seniors, and people with low incomes. It provides strategies for meeting those needs and prioritizes transportation services for funding and implementation. Coordinated plans are explained in more detail in FTA Circular 9070.1H, “Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance.”
- (36) Corrective Action: An action taken by the recipient being audited or reviewed that: (1) corrects identified deficiencies or findings, (2) recommends improvements to recipient’s processes to eliminate root causes of non-conformities, or (3) demonstrates that audit findings are either invalid or do not warrant auditee action.
- (37) Cost Allocation Plan (CAP): Cost allocation plan may also be referred to as the Central Service Cost Allocation Plan and means one or more documents identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a State, local government, or Indian tribe on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.
- (38) Cost Objective: A program, function, activity, Award, organizational third-party contract, subdivision, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs,

capital projects, etc. A cost objective may be a major function of the recipient or subrecipient, a particular service or project, a Federal award, or an indirect cost activity or Facilities & Administrative (F&A) cost activity, as described in 2 CFR Part 200, subpart E, Cost Principles.

- (39) Cost Sharing, Matching, or Non-Federal Share: The portion of project costs not paid with Federal assistance (unless otherwise authorized by Federal statute). This cost share, match, or non-Federal share, may include programmatic matching requirements, or other non-Federal funds, to constitute the overall award budget to complete the scope of work for the Award.
- (40) Depreciation: The method used to calculate the reduction in value of an item of personal or real property over time (excluding land). It is the term most often used to indicate that personal property has declined in service potential. For the purposes of this circular, it is also a method to calculate the value that is used when disposing of an asset before the end of its useful life when fair market value cannot be established.
- (41) Designated Recipient: An entity designated, in accordance with the planning process under 49 U.S.C. 5303 and 5304, by the governor of a State, responsible local officials, and publicly owned operators of public transportation to receive and apportion amounts under 49 U.S.C. 5336 to UZAs of 200,000 or more in population; or a State or regional authority, if the authority is responsible under the laws of a State for a capital project and for financing and directly providing public transportation. See 49 U.S.C. 5302(5).
- (42) Direct Carbon Emissions: The quantity of direct greenhouse gas emissions from a vehicle, as determined by the Administrator of the Environmental Protection Agency.
- (43) Direct Recipient: An entity that receives funding directly from FTA.
- (44) Disability: The term disability has the same meaning as in Section 3(1) of the Americans with Disabilities Act of 1990, 42 U.S.C. 12102. The term “disability” means, with respect to an individual: (1) a physical or mental impairment that substantially limits one or more major life activities of such individual, (2) a record of such an impairment, or (3) being regarded as having such an impairment.
- (45) Disallowed Costs: Those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.
- (46) Discretionary Award: An award in which the Federal awarding agency, in keeping with specific statutory authority that enables the agency to exercise judgement ("discretion"), selects the recipient or the amount of Federal funding awarded

through a competitive process or based on merit of proposals. A discretionary award may be selected on a non-competitive basis, as appropriate (2 CFR 200.1). A discretionary award may also be known as a competitive award.

- (47) Disposition: The settlement of the Federal interest in project property that is no longer needed for the originally authorized purpose.
- (48) Electronic Clearing House Operation (ECHO) System: A web-based application system that processes drawdown payment requests and makes payments to FTA recipients. The ECHO System may be accessed on the [ECHO website](#).
- (49) Equipment: Tangible personal property (including Information Technology (IT) systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the recipient for financial statement purposes or as defined in 2 CFR 200.1 (currently \$10,000). Equipment includes rolling stock, IT systems (compare the definitions of “Computing Devices,” “Information Technology Systems,” and “Supply”), and all other such property used in the provision of public transit service.
- (50) Equipment Inventory: A physical inventory taken of project equipment, with the results reconciled with the personal property records.
- (51) Excess Property: Property that the recipient determines is no longer required for its needs or fulfillment of its responsibilities and has not met its useful life under the recipient’s grant or cooperative agreement.
- (52) Execute: To accept the FTA Award of a grant or cooperative agreement. The recipient’s execution is required within 90 days of the FTA Award in the Transit Award Management System (TrAMS). After the Award has been executed, the recipient can access the funding made available under the Award.
- (53) Expenditures: Charges made by a recipient or subrecipient to a project or program for which a Federal award was received. The charges must be reported on an accrual basis. Expenditures are the sum of: (1) cash disbursements for direct charges for property and services, (2) the amount of indirect expenses incurred, (3) the value of third-party in-kind contributions applied, and (4) the net increase or decrease in the amounts owed by the recipient or subrecipient for goods and other property received; services performed by employees, third-party contractors, subrecipients, and other payees; and programs for which no current services or performance are required, such as annuities, insurance claims, or other benefit payments.
- (54) Facilities: All or any portion of a building or structure that is used in providing public transportation, including related roads, walkways, parking lots, parking facilities, and fixed guideways. In addition, this includes fixed fueling infrastructure (e.g., charging stations, fueling islands, etc.)

-
- (55) Fair Market Value (FMV): The most probable price that project property would bring in a competitive and open market. Fair market value is a common threshold for requirements in transactions related to both real property and equipment.
- (56) Federal Agency: An “agency” of the Federal Government as defined at 5 U.S.C. 551(1) and further clarified in 5 U.S.C. 552(f).
- (57) Federal Assistance: Federal funding that recipients and subrecipients receive or administer under grant or cooperative agreements in the form of: (1) Federal cash contributions, (2) non-cash contributions or donations of property (including donated surplus property), (3) direct appropriations, and (4) other financial assistance (except assistance listed in the following paragraph).

For 2 CFR Part 200, subpart F, Audit Requirements, Federal Assistance also includes assistance that non-Federal entities receive or administer in the form of: (1) loans, (2) loan guarantees, (3) interest subsidies, and (4) insurance. Federal Assistance does not include amounts received as reimbursement for services provided to individuals as Medicare or Medicaid described in 2 CFR 200.502(h) and (i). Federal Assistance differs from the type of funding used for Federal procurement contracts; Federal contracts are administered under requirements outlined in the Federal Acquisition Regulation (FAR).

- (58) Federal Audit Clearinghouse (FAC): The clearinghouse designated by OMB as the repository of records where non-Federal entities are required to transmit the information required by 2 CFR Part 200, subpart F, Audit Requirements.
- (59) Federal Award: Depending on the context, Federal Award has one of the following meanings: (1) the Federal assistance that a recipient receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in 2 CFR 200.101 or (2) the FTA Award as described in the grant, cooperative agreement, or other agreement for assistance, as outlined in the definition of “Federal Assistance” setting forth terms and conditions. A Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government-owned Contractor-operated facilities. See also definitions of “Federal Assistance,” “Grant Agreement,” and “Cooperative Agreement.”
- (60) Federal Award Date: The date when the Federal award is signed by the authorized official of the Federal awarding agency.
- (61) Federal Interest: For purposes of reporting on real property or when used in connection with the acquisition, improvement, or disposition of real property, equipment, or supplies under a Federal award, Federal interest means the dollar amount that is the product of: (1) the percentage of Federal participation in the total cost of the property, equipment, or supplies and (2) current fair market value of the

property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs. In cases where the fair market value of property is not readily discernable, FTA may elect to establish the Federal interest by other means, such as straight-line depreciation.

- (62) Federal Program: All Federal awards that are assigned a single Assistance Listing Number. When no Assistance Listing Number is assigned, all Federal awards from the same agency made for the same purpose should be combined and considered one program or a cluster of programs, as defined in 2 CFR 200.1.
- (63) Federal Share: The portion of the Federal award costs that are paid using Federal funds.
- (64) Federally Recognized Indian Tribal Government or Indian Tribe: The governing body or a governmental agency of federally recognized Indian tribes or Alaska Native villages, groups, or communities as identified by the U.S. Department of the Interior Bureau of Indian Affairs (BIA). This list can be found on the [BIA website](#).
- (65) Force Account: The use of a recipient or subrecipient's own labor force to accomplish a capital project. Force Account does not include project administration, preventive maintenance, mobility management, or other nontraditional capital project types.
- (66) Formula Funding: Funding allocated using factors that are specified in law or in an administrative formula developed by FTA.
- (67) Generally Accepted Accounting Principles (GAAP): GAAP has the meaning specified in accounting standards issued by the Government Accounting Standards Board (GASB) or the Financial Accounting Standards Board (FASB).
- (68) Generally Accepted Government Auditing Standards: Standards issued by the Comptroller General of the United States, which are applicable to financial audits.
- (69) Grant or Grant Agreement: A legal document in which FTA provides Federal assistance to a recipient or pass-through entity, consistent with 31 U.S.C. 6302 and 6304, to carry out a public purpose as authorized in 31 U.S.C. 6101(3). A grant/grant agreement: (1) is not to be used to acquire property or services for FTA's or the pass-through entity's direct benefit or use, (2) is distinguished from a cooperative agreement in that it does not provide for substantial involvement between FTA and the recipient or pass-through entity in carrying out the activity contemplated by the Federal award, and (3) does not include an agreement that provides only direct United States Government cash to an individual, a subsidy, a loan, a loan guarantee, or insurance.
- (70) Idle Capacity: The unused capacity of partially used facilities. Idle capacity is the difference between that which a facility could achieve under 100 percent operating

time, on a one-shift basis, less operating interruptions resulting from time lost for repairs, setups, unsatisfactory materials, and other normal delays and the extent to which the facility was actually used to meet demands during the accounting period.

- (71) Idle Facility: A facility, in whole or part, that is no longer needed or used for its originally authorized purpose or other eligible transit use.
- (72) Incidental Use: The limited non-transit use of project property that does not conflict with the original authorized purpose of the project property or the recipient's ability to maintain satisfactory continuing control.
- (73) Indirect (Facilities & Administrative (F&A)) Costs: Costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved.
- (74) Indirect Cost Rate Proposal (ICRP): The documents prepared by or for the recipient or subrecipient to substantiate its request for the establishment of an indirect cost rate as described in 2 CFR Part 200, Appendices III through VII and Appendix IX.
- (75) Information Technology Systems: Computing devices, ancillary equipment, software, firmware, and related procedures, services (including support services), and resources.
- (76) Intangible Property: Property having no physical existence, such as trademarks, copyrights, patents and patent applications, and property, such as loans, notes and other debt instruments, lease agreements, stock, and other instruments of property ownership (whether the property at issue is tangible or intangible).
- (77) Intelligent Transportation Systems (ITS): Electronics, communications, or information processing used singly or in combination to improve the efficiency or safety of a surface transportation system.
- (78) Intermediate Cost Objective: A cost objective that is used to accumulate indirect costs or service center costs that are subsequently allocated to one or more indirect cost pools or final cost objectives.
- (79) Internal Controls: Processes implemented by a recipient or subrecipient to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations, (2) reliability of reporting for internal and external use, and (3) compliance with applicable laws and regulations. The recipient will also have processes implemented that are designed to provide reasonable assurance regarding the achievement of the objectives for awards and that transactions are executed in compliance with Federal laws, regulations, and terms of the agreements.

-
- (80) Joint Development: Public transportation improvements that enhance economic development or incorporate private investment and that otherwise meet the statutory terms found at 49 U.S.C. 5302. Please also reference FTA Circular 7050.1C, “Guidance on Joint Development.”
- (81) Large Urbanized Area: An urbanized area (UZA) with a population of at least 200,000 at the time of the most recent decennial census.
- (82) Local Government: Any unit of government within a State, including but not limited to a: (1) county; (2) borough; (3) municipality; (4) city; (5) town; (6) township; (7) parish; (8) local public authority, including any public housing agency under the United States Housing Act of 1937; (9) special district, (10) school district; (11) intrastate district; (12) council of governments, whether or not incorporated as a nonprofit corporation under State law; and (13) any other agency or instrumentality of a multiregional, intrastate, or local government.
- (83) Local Governmental Authority: Includes (1) a political subdivision of a State, (2) an authority of at least one State or political subdivision of a State, (3) an Indian tribe, or (4) a public corporation, board, or commission established under the laws of a State.
- (84) Low or No Emission Vehicle: A passenger vehicle used to provide public transportation that the Secretary determines sufficiently reduces energy consumption or harmful emissions, including direct carbon emissions, when compared to a comparable standard vehicle; or a zero-emission vehicle used to provide public transportation.
- (85) Major Capital Project: A project that (1) involves the construction, expansion, rehabilitation, or modernization of a fixed guideway that (a) has a total project cost of \$300 million or more and receives Federal funds of \$100 million or more and (b) is not exclusively for the acquisition, maintenance, or rehabilitation of vehicles or other rolling stock; or (2) The Administrator determines to be a major capital project because Project Management Oversight (PMO) under 49 CFR Part 633 will benefit the Federal government or the recipient, and the project is not exclusively for the acquisition, maintenance, or rehabilitation of rolling stock or other vehicles. Typically, this means a project that (a) involves new technology, (b) is of a unique nature for the recipient, or (c) involves a recipient whose past record indicates the appropriateness of extending PMO under 49 CFR 633.19.
- (86) Major Program: In the context of audits, this means a Federal program determined by the auditor to be a major program in accordance with 2 CFR 200.518 or a program identified as a major program by a Federal awarding agency or pass-through entity in accordance with 2 CFR 200.503(e).

-
- (87) Master Agreement: The FTA document containing FTA and other cross-cutting Federal requirements applicable to the FTA recipient's award. FTA updates the Master Agreement from time to time and publishes the latest version and superseded versions on its public website. The Master Agreement is incorporated by reference and made part of each FTA grant or cooperative agreement, and each amendment thereto.
- (88) Metropolitan Planning Area (MPA): The geographic area determined by agreement between the Metropolitan Planning Organization (MPO) for the metropolitan area and the governor of the State within which the metropolitan transportation planning process is carried out (49 U.S.C. 5303).
- (89) Metropolitan Planning Organization (MPO): The policy board of an organization designated by agreement between the governor and units of general-purpose local government to carry out the metropolitan planning process, including development of long-range transportation plans and Transportation Improvement Programs (TIP) for metropolitan planning areas of a State (49 U.S.C. 5303). The process and requirements of MPO designation are described at 23 CFR 450.310.
- (90) Mobility Management: Short-range planning and management activities and projects for improving coordination among public transportation and other transportation service providers carried out by a recipient or subrecipient through an agreement entered into with a person, including a government entity, under 49 U.S.C. Chapter 53 (other than Section 5309). Mobility management does not include operating public transportation services.
- (91) Modified Total Direct Cost (MTDC): All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards to recipients and subrecipients up to the first \$50,000 of each subaward (regardless of the period of performance of the subawards under the Award). MTDC excludes equipment and capital expenditures; charges for patient care; rental costs; tuition remission; scholarships and fellowships; participant support costs; and the portion of each subaward in excess of \$50,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs and with the approval of the cognizant agency for indirect costs.
- (92) National Environmental Policy Act (NEPA): NEPA (42 U.S.C. 4321 et seq.) established the Council on Environmental Quality (CEQ) and requires Federal agencies, when planning projects or issuing permits, to conduct environmental reviews to consider the potential impacts on the environment by certain actions. CEQ's NEPA regulations are codified at 40 CFR Parts 1500–1508. To address the NEPA responsibilities established by CEQ, the FTA, the FHWA, and the FRA issued regulations that are codified at 23 CFR Part 771.

-
- (93) National Transit Database (NTD): FTA’s primary source for information on the transit industry. Most recipients or beneficiaries of FTA funds are required to report to the NTD.
- (94) Net Present Value: The discounted monetized value of expected net benefits (i.e., benefits minus costs). It is calculated by assigning monetary values to benefits and costs while discounting future benefits and costs using an appropriate discount rate to obtain a present value (see former OMB Circular A-94) and subtracting the sum of all discounted costs from the sum of all discounted benefits.
- (95) Net Proceeds: The amount realized from the sale of property no longer needed for transit purposes minus the expense of any actual and reasonable selling and other necessary expenses associated with repairs to make the property saleable.
- (96) Net Project Cost: The part of a public transportation project that reasonably cannot be financed from revenues. See 49 U.S.C. 5302(13). FTA interprets “revenues” as farebox revenues.
- (97) New Bus Model: A bus model (including a model using alternative fuel) that has not been used in public transportation in the United States before the date of production of the model or has been used in public transportation in the United States but is being produced with a major change in configuration or components.
- (98) Non-Federal Entity: A State, local government, Indian Tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.
- (99) Non-Federal Share or Non-Federal Funds: Includes the following sources of funding, or in-kind property or services used to match the Federal assistance awarded for the grant or cooperative agreement: (1) local funds, (2) local in-kind property or services, (3) State funds, (4) State in-kind property or services, and (5) other Federal funds that are eligible, under Federal law, for use as cost-sharing or matching funds for the Underlying Agreement.
- (100) Nonprofit Organization: A corporation or association determined by the Secretary of the Treasury to be an organization qualifying under 26 U.S.C. 501(c) as exempt from taxation under 26 U.S.C. 501(a) or which has been determined under State law to be nonprofit and for which the designated State agency has received documentation certifying the status of the nonprofit organization.
- (101) Notice of Funding Opportunity (NOFO): A formal announcement of the availability of Federal funding through a financial assistance program from a Federal awarding agency. The NOFO provides information on the Award, including eligible applicants, evaluation criteria for selection of an awardee, required components of an application, and how to submit the application. The NOFO is any paper or electronic issuance that an agency uses to announce funding.

-
- (102) Obligation: Obligation has two separate meanings when used in connection with FTA actions described in this circular. First, obligation means a definite commitment that creates a legal liability of the Federal Government by awarding Federal assistance through an award. Second, when used in connection with a recipient's use of Federal assistance under an FTA award, "obligation" means an order placed for property and services, a third-party contract entered into, subagreement made, and similar transaction during a given period that requires payment by the recipient during the same or a future period.
- (103) Office of Management and Budget (OMB): The Office of Management and Budget within the Executive Office of the President.
- (104) Operating Expenses (interchangeable with Operating Costs): Those costs necessary to operate, maintain, and manage a public transportation system. Operating expenses usually include such costs as driver salaries, fuel, and items having a useful life of less than one year.
- (105) Overhaul: The systematic replacement or upgrade of revenue and non-revenue systems whose useful life is less than the useful life of the entire vehicle in a programmed manner. Overhaul is performed as a planned or concentrated preventive maintenance activity and is intended to enable the vehicle to perform to the end of the original useful life. Compare with "Rebuild."
- (106) Participant Support Costs: Direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.
- (107) Pass-through Entity: A recipient that provides Federal assistance through a subaward to a subrecipient to carry out part of a Federal award.
- (108) Period of Performance: The time during which the recipient or subrecipient may incur obligations to carry out the scope of work authorized under the Award. It is the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or budget periods. FTA, or the pass-through entity, must include the start and end dates of the period of performance in the grant or cooperative agreement, regardless of whether pre-award authority has been exercised. The start date for FTA is the Federal Award Date of an award.
- (109) Personal Property: Property other than real property. It may be tangible if it has a physical existence or intangible if it does not have a physical existence.
- (110) Pre-award Authority: Authority FTA extends to an anticipated recipient, in writing, to incur otherwise allowable project costs before the effective date of a Federal award. Such costs are allowable only to the extent that they would have been

allowable if incurred after the date of the Federal award and only with the written approval of FTA. Pre-award authority is announced in the annual Apportionment Notice, NOFO, a Letter of No Prejudice (LONP), or other written notification. Failure to comply with applicable Federal requirements will render those project costs or, in certain cases, the project in its entirety, to be ineligible for FTA assistance.

- (111) Pre-award Costs: Those items of cost incurred prior to the start date of the Award or subaward's period of performance. These costs are directly in anticipation of the Federal award and are necessary for efficient and timely performance of the scope of work. Pre-award costs are allowable only if FTA extends pre-award authority and to the extent that they would have been allowable if incurred after the date of the Federal award and require prior written approval of the awarding agency. Pre-award authority is announced in the annual Apportionment Notice, NOFO, a Letter of No Prejudice (LONP), or other written notification. Pre-award costs must be included in the initial FFR. (See 2 CFR 200.458.)
- (112) Preventive Maintenance: All maintenance costs related to vehicles and non-vehicles. Specifically, preventive maintenance includes all the activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost-effective manner, up to and including the current state of the art for maintaining such an asset. Under 49 U.S.C. 5302, preventive maintenance is a type of capital project.
- (113) Previously Owned Vehicles: Vehicles purchased or leased by a transit agency that were previously used by another entity. They may be purchased or leased from another transit agency or a third party. They may include remanufactured vehicles.
- (114) Program Income: Gross income earned by the recipient or subrecipient that is directly generated by a supported activity or earned as a result of the grant or cooperative agreement during the period of performance. Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal assistance. Interest earned on advances of Federal assistance is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates; credits; discounts; taxes; special assessments; levies; fines raised by a recipient and subrecipient; and interest earned on any of them.
- (115) Program of Projects (POP): A list of projects to be funded in certain applications submitted to FTA by a Designated Recipient, State, or local government. The POP lists the recipients and subrecipients and indicates whether they are private nonprofit agencies, governmental authorities, or private providers of transportation

service. The POP also designates the areas served (including rural areas, as applicable) and identifies any tribal entities. The requirements for POP depend on the particular grant program. Generally, the POP includes a brief description of the projects, the total project cost, the Federal share for each project, and the amount of funds used for program administration from the allowed percentage. Please refer to specific program circulars (FTA Circulars 9040.1H, 9050.1A, and 9070.1H) for more detailed information about POP requirements under the respective 5311, 5307, and 5310 grant programs.

- (116) Project: Public transportation improvement activities eligible for Federal assistance in an application to FTA and/or in an FTA award.
- (117) Project Budget: The budget allocated for a specific project contained within an award that FTA, or a pass-through entity, approves during the Federal award process or in subsequent amendments to the Federal award. It may include the Federal and non-Federal share or only the Federal share, as determined by FTA or a pass-through entity.
- (118) Project Property: Any real property, equipment, supplies, or improvements included in the costs of an FTA-assisted project, regardless of whether such property was acquired using FTA assistance, provided as the non-Federal share, donated by a third party, or acquired in some other way.
- (119) Project Sponsor: An applicant for Federal assistance or recipient of Federal assistance awarded by FTA.
- (120) Property: See definitions of “Real Property” and “Personal Property.”
- (121) Public Transportation: Regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income. Public transportation generally includes but is not limited to transportation services provided by buses; heavy rail; light rail; commuter rail; fixed guideway; bus rapid transit; passenger ferryboats; trolleys; inclined railways; people movers; vans; streetcars; jitneys; and aerial tramways. Public transportation can be either fixed-route or demand-response service but excludes intercity passenger rail provided by Amtrak; intercity bus service; charter bus service; school bus service; sightseeing services; courtesy shuttle services provided by individual businesses; and intra-terminal or intra-facility shuttle services.
- (122) Qualified Human Service Organization (QHSEO): An organization that serves persons who qualify for human service or transportation-related programs or services due to disability, income, or advanced age.

-
- (123) Public Transportation Agency Safety Plan: The documented comprehensive agency safety plan for a transit agency that is required by 49 U.S.C. 5329 and the Public Transportation Agency Safety Plans (PTASP) Rule, 49 CFR Part 673.
- (124) Questioned Cost: A cost that an auditor questions due to an audit finding: (1) that resulted from a violation or possible violation of a law, regulation, or the terms and conditions of the grant or cooperative agreement, including funds used to match the Federal assistance provided; (2) in which the cost, at the time of the audit, is not supported by adequate documentation; or (3) in which the cost incurred appears unreasonable and does not reflect the actions a prudent person would take in the circumstances.
- (125) Rail Fleet Management Plan: A management plan that includes an inventory of all rail vehicles along with operating policies; peak vehicle requirements; maintenance and overhaul programs; system and service expansions; rolling stock procurements and related schedules; spare ratio justifications; and other items. The plan also calculates the number of rolling stock needed to operate at peak normal days.
- (126) Real Property: Real property means land, including land improvements, structures and appurtenances thereto, and legal interests in land, including fee interest, licenses, right of way, and easements. Real property excludes movable machinery and equipment.
- (127) Real Property Status Report: A report required by FTA to satisfy 2 CFR 200.330, which reflects real property acquired with or improved with FTA funds across the totality of the recipient's awards. Recipients use this report to accurately account for assets and determine an equitable valuation of Federal interest retained in the property. The report reflects real property acquired with or improved with Federal funds at the recipient level and may cross multiple awards.
- (128) Realty/Personalty Report: A report that lists real estate to be appraised and items of personal property to be moved. Real property is land and anything permanently affixed to the land, such as buildings, fences, and those things attached to the buildings that, if removed, would deface the structure or integrality of the building, such as plumbing, heating fixtures, etc. Personal property, or personalty, on the other hand, is property of a temporary or moveable nature, and is not real property. State law varies on the definition of real property and personal property. Therefore, the recipient should rely on its State laws pertaining to real property and personal property.
- (129) Rebuild: A capital activity associated with rolling stock that occurs at or near the end of a unit of rolling stock's useful life, and that results in an extended useful life for the unit of rolling stock consistent with the extent of the rebuilding. Compare with "Overhaul."

-
- (130) Recipient: An entity that is awarded funds directly from FTA to carry out an activity under a Federal program to support a specific project. In this circular, FTA uses the term “grantee” interchangeably with “recipient,” “grant recipient,” and “Direct Recipient.” The term recipient does not include subrecipient.
- (131) Remanufactured Vehicles: A vehicle that has undergone substantial structural, mechanical, or electrical rebuilding, restoration or updating by a third party and then is sold or leased to a transit agency.
- (132) Removable Power Source: A power source that is separately installed in and removable from a zero-emission vehicle and may include a battery, a fuel cell, an ultra-capacitor, or other advanced power source.
- (133) Rent Schedules: A method used to document an array of rent and utilities charged in an area or neighborhood for various size dwellings based on a survey of available dwellings listed for rent.
- (134) Rolling Stock: Equipment, including buses, vans, cars, locomotives, trolley cars, ferryboats, light rails, streetcars, other rail vehicles, and vehicles used for guideways and incline planes, that is used to transport passengers.
- (135) Rolling Stock Repowering: Replacing a vehicle’s propulsion system, including replacing a propulsion system with a propulsion system of a different type (e.g., replacing a diesel engine with an electric battery propulsion system).
- (136) Rolling Stock Status Report: A report that identifies rolling stock to be retired or disposed of, its mileage and age at the time that it has been or will be removed from service, and the remaining Federal interest. The report also discusses the anticipated spare ratio.
- (137) Rural Area: Any area encompassing a population that has not been designated by the Secretary of Commerce in the most recent decennial census as an Urban Area with at least 50,000 people.
- (138) Sales Proceeds: The net proceeds generated by the disposition of excess real property or equipment that was purchased in whole or in part with FTA assistance.
- (139) Satisfactory Continuing Control: The legal assurance that project property will remain available to be used for its authorized purpose until disposition.
- (140) Scope Code: Scope Codes are used to define the broad categories of work, and each Scope Code has a defined listing of related activities or Activity Line Items (ALIs). A project may have multiple Scope Codes and ALIs to clearly define the work necessary to complete a scope of work included within the grant or cooperative agreement.

-
- (141) Scope of Work: The purpose of the Award and the activities and approaches required to carry out a project. The scope of work is made up of various components, including the award budget, beneficiaries, locations, and other aspects identified in the approved application. FTA reserves the right to consider other information in determining the “scope of the project,” the “scope of work of a grant,” or “the scope of work of a cooperative agreement” when “scope” is used for other purposes.
- (142) Secretary: For purposes of this circular, unless otherwise specified, “Secretary” means the Secretary of Transportation.
- (143) Senior: A senior is an individual who is 65 years of age or older.
- (144) Shared Use: Instances in which an entity, separate from the recipient, occupies part of a facility or shares the use of equipment (including rolling stock) and pays for its pro rata share of the construction, maintenance, acquisition, or operations costs, as applicable. Shared uses should be declared at the time of award to ensure the proper allocation and eligibility of costs in the Award. Shared use and incidental use are distinguishable.
- (145) Small Urbanized Area: An urbanized area (UZA) with a population of at least 50,000 but less than 200,000 (as used in the context of FTA formula programs).
- (146) State: A State of the United States or the District of Columbia; Puerto Rico; the Northern Mariana Islands; Guam; American Samoa; or the Virgin Islands.
- (147) State of Good Repair: The condition in which a capital asset operates at a full level of performance.
- (148) Straight Line Depreciation: In contrast to fair market value, straight line depreciation means a method used to determine the value of the remaining useful life of property. This method is calculated as a function of time instead of a function of usage. It is based on the premise that an asset’s economic usefulness is the same in each year of its useful life.
- (149) Subaward: An award provided by a pass-through entity to a subrecipient to provide Federal assistance for the subrecipient to carry out part of the grant or cooperative agreement between FTA and the recipient. It does not include payments to a third-party contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be established using any form of legal agreement, including an agreement that the pass-through entity considers a contract. “Subaward” and “Subagreement” may be used interchangeably.
- (150) Subrecipient: An entity, usually—but not limited to—non-Federal entities that receives a subaward from a pass-through entity to carry out part of a Federal award but does not include an individual that is a beneficiary of such award. A

subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

- (151) Supply or Supplies: All tangible personal property other than those described in the definition of “Equipment.” A computing device is a supply if the acquisition cost is below the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes or \$10,000, regardless of the length of its useful life. See this section’s definitions of “Computing Devices” and “Equipment.” “Unused supplies” means supplies that are in new condition, not having been used or opened before (see 2 CFR 200.314(a)).
- (152) System for Award Management (SAM): The official U.S. Government system that consolidated the capabilities of former systems. SAM registration helps to streamline the acquisition of grants, loans, contracts, and intergovernmental transactions. Entities must be registered in SAM and be in active status to receive funding from Federal financial assistance awards or contracts.
- (153) Termination: The ending of Federal support for an award, in whole or in part, at any time before the planned end of period of performance. A lack of available funds is not a termination.
- (154) Third-Party Contract: A legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the grant or cooperative agreement. This does not include an instrument describing a transaction that meets the definition of a Federal award, grant, cooperative agreement, subaward, or subagreement.
- (155) Third-Party Contractor: An entity that receives a third-party contract, as defined in the definition of “Third-Party Contract” above.
- (156) Third-Party In-Kind Contributions: Non-cash contributions (i.e., property or services) that: (1) benefit a federally assisted project or program and (2) are contributed by non-Federal third parties, without charge, to a recipient or subrecipient under a Federal award.
- (157) Transit Asset Management (TAM): The strategic and systematic practice of procuring, operating, inspecting, maintaining, rehabilitating, and replacing transit capital assets to manage their performance, risks, and costs over their life cycles, for the purpose of providing safe, cost-effective, and reliable public transportation.
- (158) Transit Award Management System (TrAMS): A web-based electronic award management system used to apply for, administer, and manage FTA awards. TrAMS is FTA’s current award-making system. TEAM was FTA’s award-making system from 1998 to 2016.
- (159) Transit Enhancements: See definition for “Associated Transit Improvements.”

-
- (160) Transit Vehicle Manufacturer (TVM): Any manufacturer whose primary business purpose is to manufacture vehicles specifically built for public mass transportation. Such vehicles include but are not limited to buses, railcars, trolleys, ferries, and vehicles manufactured specifically for paratransit purposes. Producers of vehicles that receive post-production alterations or retrofitting to be used for public transportation purposes (e.g., so-called cutaway vehicles, vans customized for service to people with disabilities) are also considered TVMs. Businesses that manufacture, mass-produce, or distribute vehicles solely for personal use and for sale “off the lot” are not considered TVMs.
- (161) Transportation Electronic Award and Management System (TEAM): TEAM was a web-based electronic award management system used to apply for, administer, and manage FTA awards. TEAM was FTA’s award-making system from 1998 to 2016. TrAMS is FTA’s current award-making system. See “TrAMS” definition.
- (162) Transportation Improvement Program (TIP): A prioritized listing/program of transportation projects covering a period of four years that is developed and formally adopted by an MPO as part of the metropolitan transportation planning process, consistent with the Metropolitan Transportation Plan (MTP). A TIP is required for projects to be eligible for funding under 23 U.S.C. and 49 U.S.C. 53.
- (163) Uneconomic Remnant: A parcel of real property in which the owner is left with an interest after the partial acquisition or use of the owner’s property, and that the acquiring agency has determined has little or no value or utility to the owner.
- (164) Uniform Act/Uniform Relocation Act (URA): The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4601 et seq. This act also is referred to with the abbreviation URA per the regulations codified at 49 CFR Part 24.
- (165) Uniform System of Accounts (USOA): A structure of categories and definitions used for National Transit Database (NTD) reporting to ensure uniform data. The USOA contains various categories of accounts and records for classifying financial (Chart of Accounts) and operating data.
- (166) Unique Entity Identifier (UEI): A 12-character alphanumeric ID assigned to an entity by SAM.gov for entity registration, searching, and data entry. NOTE: The DUNS Number has been removed from SAM.gov.
- (167) Unliquidated Financial Obligations: The funding commitments that recipients and subrecipients have incurred, with expenditures that have not yet been recorded because the goods and services have not been received. Unliquidated obligations should be accounted for on lines I and J of the Federal Financial Report (FFR).
- (168) Unobligated Balance: The amount of Federal program funding potentially available to a recipient or subrecipient that has not yet been obligated. The amount is

computed by subtracting the cumulative amount of the recipient's obligations from the cumulative amount of the funds that the Federal awarding agency or pass-through entity may obligate for that recipient.

- (169) Urbanized Area (UZA): An area encompassing a population of not less than 50,000 people that has been defined and designated by the Secretary of Commerce in the most recent decennial census as an "Urban Area."
- (170) Useful Life: The minimum acceptable period a capital asset purchased with FTA funds must be used in service prior to being replaced or removed from service. The minimum useful life for rolling stock is calculated based on the date the vehicle is placed in revenue service. While the useful life of land is indefinite, real property improvements on land such as construction, buildings, and other fixtures may have a minimum useful life similar to personal property. The use of an asset beyond its minimum useful life does not extinguish the Federal interest in the asset or the obligation to use and dispose of property in compliance with Federal requirements.
- (171) Value Engineering (VE): The systematic application of recognized techniques that identify the function of a product or service, establish a value for that function, and provide the necessary function reliably at the lowest overall cost. In all instances, the required function should be achieved at the lowest possible life cycle cost consistent with requirements for performance, maintainability, safety, security, and aesthetics.
- (172) Voluntary Committed Cost Sharing: Cost sharing specifically pledged on a voluntary basis in the proposal's budget or the Federal award on the part of the recipient or subrecipient, that becomes a binding requirement of the Federal award.
- (173) Zero Emission Vehicle: A low or no emission vehicle that produces no carbon or particulate matter. See also "Low or No Emission Vehicle."

b. Acronyms.

| Acronym | Full Name or Term |
|---------|--------------------------------------|
| ACH | Automated Clearing House |
| ADA | Americans with Disabilities Act |
| ADEA | Age Discrimination in Employment Act |
| ALI | Activity Line Item |
| AMI | Area Median Income |
| CAA | Clean Air Act |
| CAP | Cost Allocation Plan |

| Acronym | Full Name or Term |
|-------------|--|
| CCAM | Coordinating Council on Access and Mobility |
| CDBG | Community Development Block Grant |
| CDL | Commercial Driver's License |
| CE | Categorical Exclusion |
| CEQ | Council on Environmental Quality |
| CFR | Code of Federal Regulations |
| CMAQ | Congestion Mitigation and Air Quality |
| D&A | Drug and Alcohol |
| DAMIS | Drug and Alcohol Management Information System |
| DBE | Disadvantaged Business Enterprises |
| DHHS or HHS | Department of Health and Human Services |
| DOD | Department of Defense |
| DOI | Department of the Interior |
| DOL | Department of Labor |
| DOT | Department of Transportation |
| DSR | Debt Service Reserve |
| DSS | Decent, Safe, and Sanitary |
| EA | Environmental Assessment |
| ECHO | Electronic Clearing House Operation |
| EEO | Equal Employment Opportunity |
| EEOC | Equal Employment Opportunity Commission |
| EIS | Environmental Impact Statement |
| EJ | Environmental Justice |
| EPA | Environmental Protection Agency |
| ER | Emergency Relief |
| ESA | Environmental Site Assessment |
| ESC | FAA Enterprise Service Center |
| F&A | Facilities and Administration |

| Acronym | Full Name or Term |
|----------|--|
| FAA | Federal Aviation Administration |
| FAC | Federal Audit Clearinghouse |
| FAIN | Federal Award Identification Number |
| FAPIIS | Federal Awardee Performance and Integrity Information System |
| FAR | Federal Acquisition Regulation |
| FAR | Floor Area Ratio |
| FASB | Financial Accounting Standards Board |
| FAST Act | Fixing America's Surface Transportation Act |
| FEIS | Final Environmental Impact Statement |
| FFATA | Federal Funding Accountability and Transparency Act of 2006 or Transparency Act, Public Law 109-282, as amended by Section 202(a) of Public Law 110-25, 31 U.S.C. 6101 |
| FFR | Federal Financial Report |
| FHWA | Federal Highway Administration |
| FMCSA | Federal Motor Carrier Safety Administration |
| FMO | Financial Management Oversight |
| FMV | Fair Market Value |
| FOIA | Freedom of Information Act |
| FONSI | Finding of No Significant Impact |
| FPC | Financial Purpose Code |
| FR | Federal Register |
| FRA | Federal Railroad Administration |
| FSRS | FFATA Subaward Reporting System |
| FTA | Federal Transit Administration |
| FY | Fiscal Year |
| GAAP | Generally Accepted Accounting Principles |
| GAGAS | Generally Accepted Government Auditing Standards |
| GASB | Government Accounting Standards Board |
| GSA | U.S. General Services Administration |

| Acronym | Full Name or Term |
|---------|---|
| HBU | Highest and Best Use |
| HUD | U.S. Department of Housing and Urban Development |
| ICRP | Indirect Cost Rate Proposal |
| IHE | Institutions of Higher Education |
| IJA | Infrastructure Investment and Jobs Act |
| ITS | Intelligent Transportation Systems |
| JD | Joint Development |
| LEP | Limited English Proficient/Proficiency |
| LONP | Letter of No Prejudice |
| LWCAP | Local-Wide Cost Allocation Plans |
| MAP-21 | The Moving Ahead for Progress in the 21 st Century Act |
| MPA | Metropolitan Planning Area |
| MPO | Metropolitan Planning Organization |
| MPR | Milestone Progress Report |
| MTDC | Modified Total Direct Cost |
| MTP | Metropolitan Transportation Plan |
| NEPA | National Environmental Policy Act |
| NOFO | Notice of Funding Opportunity |
| NTD | National Transit Database |
| OMB | Office of Management and Budget |
| PIN | Personal Identification Number |
| PMO | Project Management Oversight |
| PMP | Project Management Plan |
| POP | Program of Projects |
| PSR | Procurement System Review |
| PTASP | Public Transportation Agency Safety Plans |
| QHSO | Qualified Human Service Organization |
| RAMP | Real Estate Acquisition Management Plan |

| Acronym | Full Name or Term |
|------------|--|
| ROD | Record of Decision |
| RTAP | Rural Transportation Assistance Program |
| SAFETEA-LU | Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users |
| SAM | System for Award Management |
| SMR | State Management Review |
| SOP | Standard Operating Procedure |
| SOW | Scope of Work |
| SPWP | State Planning Work Program |
| SSO | State Safety Oversight |
| STIP | Statewide Transportation Improvement Program |
| STP | Surface Transportation Program |
| SWCAP | Statewide Cost Allocation Plan |
| TAM | Transit Asset Management |
| TDC | Transportation Development Credit |
| TEAM | Transportation Electronic Award Management |
| TIP | Transportation Improvement Program |
| TMA | Transportation Management Area |
| TOD | Transit-Oriented Development |
| TR | Triennial Review |
| TrAMS | Transit Award Management System |
| TVM | Transit Vehicle Manufacturer |
| UEI | Unique Entity Identifier |
| UPWP | Unified Planning Work Program |
| URA | Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 |
| U.S.C. | United States Code |
| USCG | United States Coast Guard |
| USDOT | U.S. Department of Transportation |

| Acronym | Full Name or Term |
|----------------|--|
| USOA | Uniform System of Accounts |
| USPAP | Uniform Standards of Professional Appraisal Practice |
| UZA | Urbanized Area |
| VE | Value Engineering |
| VIN | Vehicle Identification Number |

CHAPTER II:

CIRCULAR, FTA PROGRAMS, AND GRANTS MANAGEMENT OVERVIEW

1. GENERAL. This circular provides requirements and procedures for management of all applicable FTA programs authorized under 49 U.S.C. Chapter 53. Specific information regarding FTA programs is included in specific FTA circulars, also referred to as “program circulars” in this document, such as the:

- Urbanized Areas Formula Grant Programs Guidance, FTA Circular 9050.1A;
- Rural Areas Formula Grant Programs Guidance, FTA Circular 9040.1H; and
- Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance, FTA Circular 9070.1H.

This circular also describes requirements and procedures concerning FTA’s implementation of DOT regulation, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 1201, which incorporates by reference OMB guidance, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 200, for awards made on and after December 26, 2014, and former 49 CFR Parts 18 and 19 for awards made before December 26, 2014. Both 2 CFR Part 1201 and former 49 CFR Part 18 have specific provisions for certain State control of the administration of equipment, procurement, and financial management. State requirements apply to those programs that have States as recipients, including 49 U.S.C. 5305, 5310, 5311, former Section 5316, and former Section 5317. These State requirements also apply to States that receive Federal assistance under other FTA programs for which both State and non-State entities are eligible.

NOTE: In the event of an inconsistency between guidance documents and legal terms, the inconsistency will be resolved by giving precedence in the following order:

- Applicable laws and statutes of the United States, including any specific legislative provisions mandated in the statutory authority for the Award;
- Code of Federal Regulations (CFR);
- The FTA Master Agreement;
- FTA circulars and other guidance; and
- Application documents.

If there is a conflict between FTA Circular 5010.1F and program specific circulars, the program specific circulars generally prevail. Please reference [FTA’s public website](#) for a complete list of FTA programs and their current FTA circulars.

This chapter (Chapter II) reviews FTA programs and cross-cutting requirements. Chapter III of this circular describes the mechanics and requirements for general grants management and administration of FTA awards. Chapters III and IV describe the requirements for managing FTA awards and projects and requirements related to real property, supplies, equipment, and

construction related to these projects. Chapter V outlines oversight requirements that help ensure compliance with FTA and Federal policies. Chapter VI describes the requirements for the financial management of FTA awards and projects.

2. APPLICABLE PROGRAM DESCRIPTIONS. FTA provides formula and discretionary funding under a variety of programs by awarding Federal assistance to eligible recipients through a grant or cooperative agreement. While this circular contains the post-award guidance for all applicable FTA programs, several of the programs described below have individual program circulars that contain pre-award instructions, project management guidance, and unique administrative requirements that apply to the Award. In addition, recipients of funding under the Public Transportation Innovation Program (Sections 5312) and the Technical Assistance and Workforce Development Program (Section 5314) should reference FTA Circular 6100.1E, “Research, Technical Assistance and Training Program: Application Instructions and Program Management Guidelines,” rather than this circular.

Current FTA Programs:

- a. Metropolitan Planning and Statewide Planning and Research Programs (Section 5305(d) and I to implement Section 5303 and Section 5304). These programs provide Federal assistance to support cooperative, continuous, and comprehensive planning for making transportation investment decisions in metropolitan areas and statewide.
- b. Urbanized Area Formula Funding Program (Section 5307). The Urbanized Area Formula Funding Program makes Federal resources available to urbanized areas (UZAs) for transit planning, capital, and operating assistance in UZAs. A UZA is an area encompassing a population of not less than 50,000 people that has been defined and designated in the most recent decennial census as an “Urban Area” by the Secretary of Commerce.
- c. Passenger Ferry Discretionary Program (Section 5307(h)). The Passenger Ferry Discretionary Program sets aside funding each fiscal year from the Urbanized Area Formula Program to support passenger ferry capital projects. Funding will be awarded based on a competitive selection using criteria published in a Notice of Funding Opportunity (NOFO) in the *Federal Register*. FTA posts all competitive grant opportunities on the Federal government’s centralized source for information on discretionary grants, Grants.gov.
- d. Fixed Guideway Capital Investment Grants Program – New and Small Starts and Core Capacity Improvements (Section 5309). The Fixed Guideway Capital Investment Grants Program is a discretionary grant program that funds the construction of new fixed guideway systems or extensions to existing fixed guideway systems, as well as projects that will expand the core capacity of existing fixed guideway corridors. States and local governmental authorities are eligible applicants for Section 5309 funds.

Additional information about the Fixed Guideway Capital Investment Program is available on [FTA's website](#) and in FTA Circular 9300.1B, "Capital Investment Program Guidance and Application Instructions."

- e. Enhanced Mobility of Seniors and Individuals with Disabilities Formula Program (Section 5310). The Enhanced Mobility of Seniors and Individuals with Disabilities Program provides formula funding to States, Designated Recipients, or a State or local governmental entity that operates a public transportation service (recipients) to improve mobility for seniors and individuals with disabilities. This program provides financial assistance funds for capital and operating expenses to recipients for:

Public transportation projects planned, designed, and carried out to meet the needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable; public transportation projects that exceed the requirements of the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.); public transportation projects that improve access to fixed-route service and decrease reliance on complementary paratransit; and alternatives to public transportation projects that assist seniors and individuals with disabilities with transportation.

Additional information on the Section 5310 program is contained in FTA Circular 9070.1H.

- f. Formula Grants for Rural Areas (Section 5311). The Formula Grants for Rural Areas Program is a formula grant program that provides capital, planning, and operating assistance to States and Indian tribes to support public transportation in rural areas with populations of less than 50,000. FTA apportions funds under this program to the governor or the governor's designee. Eligible applicants include States and Indian tribes. Eligible subrecipients include private nonprofit organizations and operators of public transportation or intercity bus service that receive Federal assistance indirectly through a recipient. Guidance on the Section 5311 program is contained in FTA Circular 9040.1H.
- g. Rural Transportation Assistance Program (RTAP) (Section 5311(b)(3)). RTAP provides a source of funding to assist in the design and implementation of training and technical assistance projects and other support services tailored to meet the specific needs of transit operators in rural areas. FTA allocates RTAP funds to the States by formula to develop and implement training and technical assistance programs in conjunction with the State's administration of the Section 5311 Formula Assistance Program. Additional information on RTAP is available in FTA Circular 9040.1H.
- h. Tribal Transit Program (Section 5311(c)(1)). The Tribal Transit Program includes a formula and competitive program with funds to be allocated for grants to Indian tribes for any purpose eligible under Section 5311, which includes capital, operating, planning, job access and reverse commute projects, and administrative assistance for rural public transportation services and rural intercity bus service. Additional information on the Tribal Transit Program is available in FTA Circular 9040.1H.

-
- i. Appalachian Development Public Transportation Assistance Formula Program (Section 5311(c)(2)). This program is financed from amounts made available to carry out Section 5311 and provides formula funds to support public transportation for States in the Appalachian region. Federal assistance is allocated for any purpose eligible under Section 5311. Additional information on the Section 5311 Formula Grants for Rural Areas is available in FTA Circular 9040.1H.
 - j. Intercity Bus Program (Section 5311(f)). The Intercity Bus Program requires each State to spend 15 percent of its annual Section 5311 apportionment “to carry out a program to develop and support intercity bus transportation,” unless the governor certifies that “the intercity bus service needs of the State are being met adequately.” Section 5311(f) requires a State to consult with intercity bus providers before seeking a governor’s certification. Additional information on the intercity bus program and consultation requirements is available in FTA Circular 9040.1H.
 - k. Public Transportation Emergency Relief (ER) Program (Section 5324). The Public Transportation ER Program authorizes FTA to make grants to public transportation agencies that have experienced serious damage to transit assets as a result of an emergency. Emergency is defined as a natural disaster that affects a wide area, such as a flood, hurricane, tidal wave, earthquake, severe storm, or landslide, or a catastrophic failure from an external cause, as a result of which the governor of a State has declared an emergency and the Secretary of Transportation has concurred or the President of the United States has declared a major disaster.

FTA may make grants under the ER program for capital projects to protect, repair, reconstruct, or replace equipment and facilities of a public transportation system that the Secretary determines are in danger of suffering serious damage or have suffered serious damage as a result of a declared emergency. In addition, FTA may reimburse operating expenses that are outside the scope of work of an affected recipient’s normal operations, including but not limited to evacuations; rescue operations; bus, ferry, or rail service to replace inoperable service or to detour around damaged areas; temporary service to accommodate an influx of passengers or evacuees; returning evacuees to their homes after the disaster or emergency; and the net project costs related to reestablishing, expanding, or relocating public transportation service before, during, or after an emergency or major disaster.

Grants under this program or those made under Sections 5307 or 5311 to address a declared emergency are subject to the terms and conditions that FTA determines are necessary. FTA will not provide Federal assistance for any expenses that are reimbursed by the Federal Emergency Management Agency (FEMA).

The ER program is implemented by regulation under 49 CFR Part 602, “Emergency Relief.” Guidance on the ER program is found in the most current version of the FTA Emergency Relief Manual.

- l. State Safety Oversight (SSO) Program (Section 5329). The SSO Program provides funding to eligible States to develop or carry out SSO of rail fixed guideway public transportation systems.
- m. State of Good Repair Formula Program (Section 5337). The State of Good Repair Formula Program provides grants to assist State and local governmental authorities in financing capital projects to maintain public transportation systems in a state of good repair, including projects to replace and rehabilitate: rolling stock; track; line equipment and structures; signals and communications; power equipment and substations; passenger stations and terminals; security equipment and systems; maintenance facilities and equipment; operational support equipment, including computer hardware and software; development and implementation of a Transit Asset Management (TAM) plan; and other replacement and rehabilitation projects the Secretary determines appropriate. Additional information on the Section 5337 State of Good Repair Formula Program is available in FTA Circular 9050.1A.
- n. Buses and Bus Facilities Program (Section 5339). The Buses and Bus Facilities Program provides grants to assist eligible recipients in financing capital projects to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities.

Additional information on the urban component of Section 5339 can be found in FTA Circular 9050.1A, and the rural component can be found in FTA Circular 9040.1H

- o. Transit-Oriented Development Planning Pilot Program. The Transit-Oriented Development Planning Pilot Program, first authorized by Section 20005(b) of MAP-21 and amended by Section 30009 of IIJA, provides Federal assistance to advance planning efforts that support transit-oriented development (TOD) associated with new fixed guideway and core capacity improvement projects, as defined under Section 5309. TOD focuses growth around transit stations to improve the resiliency and reliability of the transportation system, promote ridership, promote affordable housing near transit, revitalize downtown centers and neighborhoods, and encourage local economic development, tourism, and natural risk reduction.
- p. Research, Development, Demonstration, Deployment, Cooperative Research, Technical Assistance and Standards Development, and Human Resources and Training Programs. Requirements for the Public Transportation Innovation Programs under Section 5312 and Technical Assistance and Workforce Development Programs, under Section 5314, are included in FTA Circular 6100.1E, rather than this circular.
- q. Coordinating Council on Access and Mobility (CCAM). The Federal Interagency CCAM, comprised of 11 Federal departments and agencies, was established by Executive Order 13330, "Human Service Transportation Coordination," signed by President George W. Bush on February 24, 2004. The members consist of the secretaries of the U.S. Departments of Transportation, Health and Human Services, Labor, Education, Agriculture, Housing and Urban Development (HUD), Interior, and Veterans Affairs and

the Commissioner of Social Security, the Attorney General, and the Chair of the National Council on Disabilities.

CCAM coordinates more than 130 Federal programs providing transportation funding for seniors, people with disabilities, and individuals with low incomes. CCAM works at the Federal level to improve Federal coordination of transportation resources and to address barriers faced by States and local communities when coordinating transportation. Additional information on CCAM can be found on the [CCAM website](#).

3. ROLES AND RESPONSIBILITIES OF THE MANAGEMENT OF AWARDS. Recipients are responsible for the day-to-day management of their awards that provide assistance for eligible activities or projects. FTA monitors awards and the federally assisted projects thereunder to confirm that recipients establish and follow procedures that comply with Federal requirements and the terms and conditions outlined.
 - a. Recipient Role. Recipients are required to apply for and manage FTA awards in the Transit Award Management System (TrAMS). In addition to FTA's responsibility to monitor FTA awards and the federally assisted projects thereunder, recipients must monitor federally assisted activities, including those conducted by subrecipients, to ensure compliance with applicable Federal requirements. This includes the administration and management of the award and any funds "passed through" by the recipient to a subrecipient in compliance with Federal regulations, the grant or cooperative agreement, and applicable FTA circulars. Annual, independent, organization-wide audits, 2 CFR Part 200, subpart F, "Audits," audits of recipients, and other recurring and specialized reviews provide FTA an opportunity to verify the recipient's compliance with Federal requirements. (See Chapter V, "FTA Oversight," of this circular.)

The recipient's responsibilities include but are not limited to the following actions:

- (1) Demonstrate the legal, financial, and technical capacity to carry out the program, including safety and security aspects of the program;
- (2) Submit Annual Certification and Assurances;
- (3) Use TrAMS to apply for and administer Federal assistance awards;
- (4) Provide administrative and management support for project implementation;
- (5) Provide, directly or by contract, adequate technical inspection and supervision by qualified professionals of all work in progress;
- (6) Ensure conformity to grant agreements and cooperative agreements, applicable statutes, codes, ordinances, and safety standards;

-
- (7) Maintain project work schedules agreed to by FTA and the recipient and monitor activities under the Award to assure schedules are met and other performance goals are achieved;
 - (8) Keep expenditures within the latest approved award budget;
 - (9) Ensure compliance with FTA and Federal requirements by agencies, consultants, contractors, and subcontractors working under approved third-party contracts or inter-agency agreements;
 - (10) Request and withdraw Federal assistance for eligible activities only in amounts and at times such as to minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the recipient (the FTA Master Agreement requires payment within three days of receipt of Federal funds), and retain receipts to substantiate withdrawals;
 - (11) Account for project property and maintain property inventory records that contain all the elements required;
 - (12) Demonstrate and retain satisfactory continuing control over the use of project property;
 - (13) Demonstrate procedures for asset management and adequate maintenance of equipment and facilities;
 - (14) Ensure that an annual independent organization-wide audit is conducted in accordance with OMB guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 CFR Part 200, which is incorporated by reference in 2 CFR Part 1201, Prepare Force Account Plan and Cost Allocation Plans (CAPs) or Indirect Cost Proposals, and submit and obtain approval if applicable, before incurring costs;
 - (15) Prepare required reports (see Chapter III, Section 6.a, "Reporting Requirements") for submission to FTA;
 - (16) Update and retain FTA required reports and records for availability during audits or oversight reviews;
 - (17) Ensure effective control and accountability are maintained for all grants, cooperative agreements, subagreements, cash, real and personal property, and other assets. Recipients and subrecipients must ensure that resources are properly used and safeguarded and used solely for authorized purposes;
 - (18) Obtain all necessary prior approvals or waivers before incurring costs or taking any requested actions; and

-
- (19) Manage roles and responsibilities of the organization's users in TrAMS.
- b. FTA Role – Headquarters. FTA Headquarters in Washington, DC, serves a broad, program-level role in the administration of FTA's Federal assistance programs. FTA Headquarters performs the following functions:
- (1) Provides overall policy, is primarily responsible for policy and program guidance for all FTA programs, and ensures that programs are consistent with the law;
 - (2) Ensures consistent administration of programs by FTA Regional and Metropolitan Offices;
 - (3) Prepares and publishes an annual apportionment of Federal assistance to States and Designated Recipients;
 - (4) Develops and implements financial management procedures;
 - (5) Initiates and manages program-support activities, such as training sessions, webinars, courses, regional consistency training, and oversight reviews;
 - (6) Conducts national program reviews and evaluations;
 - (7) Carries out responsibility for national compliance with program requirements;
 - (8) Coordinates Triennial, State management, and other reviews, as necessary;
 - (9) Develops national standard operating practices; and
 - (10) In the case of cooperative agreements, provide substantial involvement in project activities.
- c. FTA Role – Regional and Metropolitan Offices. FTA Regional and Metropolitan Offices are responsible for the day-to-day administration or oversight of awards under programs covered by this circular. FTA Regional and Metropolitan Offices' responsibilities include but are not limited to:
- (1) Review and approve applications for FTA assistance, amendments, and budget revisions, as necessary;
 - (2) Obligate and deobligate Federal assistance;
 - (3) Work with recipients to implement and manage the programs and projects and ensure recipient compliance with Federal requirements;
 - (4) Provide technical assistance;

-
- (5) Receive the Designated Recipient's certifications and amendments to its Program of Projects (POP);
 - (6) Participate in Triennial, State management, and other reviews, as necessary;
 - (7) Review Milestone Progress Reports (MPRs) and FFRs, as well as monitor and close awards (including conducting quarterly review and other project management meetings); and
 - (8) In the case of cooperative agreements, provide substantial involvement in project activities.
4. FTA'S TRANSIT AWARD MANAGEMENT SYSTEM (TRAMS). FTA provides a streamlined electronic interface between recipients and FTA that allows complete electronic award application submission, review, approval, and management of all financial assistance awards. This system is TrAMS. Among other things, recipients apply for awards, inquire about the status of awards, file the required FFR and MPRs, and submit annual Certifications and Assurances in TrAMS. A user guide for TrAMS is available on [FTA's website](#).

When applicable, the U.S. Department of Labor (DOL) receives requests electronically for transit employee protective arrangement certification for projects through TrAMS. DOL will electronically issue the public transportation employee protective certifications, entering the certification date and attaching the certification letter into TrAMS.

This system interfaces directly with other systems such as SAM.gov and the Electronic Clearing House Operations (ECHO), which is an FTA web-based application that processes FTA recipients' requests for payment.

5. CIVIL RIGHTS REQUIREMENTS. The recipient agrees to comply with all applicable civil rights statutes and implementing regulations as outlined in the FTA Master Agreement, including but not limited to the following:
- a. Disadvantaged Business Enterprise (DBE) Program. To the extent required by Federal law, regulation, or directive, the recipient agrees to take the following measures to facilitate participation by DBEs. FTA's [DBE Program web page](#) contains additional information.

To receive Federal assistance, recipients must comply with the DOT DBE regulations, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs" (49 CFR Part 26). Unless otherwise noted, contracts funded in whole or in part with FTA funds and subject to FTA's procurement rules are also subject to the DBE regulations. Recipients must also include the FTA-funded amounts of these contracts when determining whether the recipient meets the DBE threshold for goal setting and, if the threshold is met, a triennial DBE goal for FTA review.

The DBE regulations at 49 CFR 26.21(a)(2) require that all FTA recipients receiving planning, capital and/or operating assistance maintain a DBE program. The rule establishes two tiers of recipients with varying obligations:

- FTA Tier I recipient means an FTA recipient to whom 49 CFR Part 26 applies that will award prime contracts (excluding transit vehicle purchases) the cumulative total value of which exceeds \$670,000 in FTA funds in a Federal fiscal year. Tier I recipients must have a DBE program meeting all the requirements in 49 CFR Part 26.
- FTA Tier II recipient means an FTA recipient to whom this part applies who will award prime contracts (excluding transit vehicle purchases) the cumulative total value of which does not exceed \$670,000 in FTA funds in a Federal fiscal year. Tier II recipients must maintain an abbreviated program locally.

The recipient must comply with and ensure the compliance of each third-party contractor and each subrecipient at any tier of the project with all applicable DBE program elements of 49 CFR Part 26, including the following:

- (1) DBE Program. Tier I recipients, as set forth in 49 CFR 26.21(a)(2), must submit to FTA a DBE Program that includes all the required elements specified in 49 CFR Part 26. These recipients do not need to submit regular updates of the DBE Program once FTA has approved it; however, significant changes to the program must be submitted for approval.

Tier II recipients must maintain a program locally meeting the following abbreviated requirements set forth in 49 CFR 26.21(a)(2)

- Reporting and recordkeeping under §26.11;
 - Contract assurances under §26.13;
 - Policy statement under §26.23;
 - Fostering small business participation under §26.39; and
 - Transit vehicle procurements under §26.49.
- (2) DBE Goals. DBE goal-setting requirements apply to recipients that will award cumulative contracts (excluding transit vehicle purchases) exceeding \$670,000 in FTA funds in any given fiscal year (i.e., Tier I recipients). These recipients are required to provide DBE goals to FTA by August 1 on a triennial basis.
 - (3) TVM Compliance. Each recipient must require in its DBE Program that each transit vehicle manufacturer (TVM), as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurements, certify that it has complied with the requirements of 49 CFR 26.49. Before accepting a bid, the recipient must ensure that the manufacturer of the vehicle is an eligible TVM. If the prime bidder is a dealership, the bidder may list several potential manufacturers, but FTA funds may only be used on those vehicles that are manufactured by eligible TVMs at the

time of bidding. With FTA's prior approval, a recipient may establish a project-specific goal for DBE participation in the procurement of transit vehicles (e.g., ferry vessels) from specialized manufacturers when a TVM cannot be identified.

Within 30 days after entry into a contract for any federally funded transit vehicle purchase, the recipient must submit to FTA the name of the TVM contractor and the total dollar value of the third-party contract using the online Transit Vehicle Award Reporting Form. Recipients must also submit the online Transit Vehicle Award Reporting Form within 30 days of exercising an option or a piggyback on an existing contract or ordering a vehicle from an authorized schedule. The list of DBE-eligible TVMs can be found on FTA's website.

Further instructions for reporting vehicle purchases are found on [FTA's Office of Civil Rights website](#).

- (4) Uniform Report of DBE Awards or Commitments and Payments. Tier I recipients for which the DBE goals apply are required to submit the Uniform Report of DBE Awards or Commitments and Payments (the Semi-Annual Report) by June 1 and December 1 of each year. By June 1, the recipient must report on all FTA-funded contracts awarded or completed and ongoing DBE activity for the first half of the Federal fiscal year (October 1 to March 31). By December 1, the recipient must report on all FTA-funded contracts awarded or completed and ongoing DBE activities for the second half of the Federal fiscal year (April 1 to September 30). Reports are completed by filling out the reporting form available in FTA's TrAMS. Tier II recipients are required to submit the report on an annual basis by December 1.
 - (5) Contract Assurances. Each contract a recipient signs with a contractor (and each subcontract a prime contractor signs with a subcontractor) must include the assurances of 49 CFR 26.13(b) and FTA's Master Agreement 12(e)(4)(ii): The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include but is not limited to: (1) withholding monthly progress payments; (2) assessing sanctions; (3) liquidated damages; and/or (4) disqualifying the contractor from future bidding as non-responsible.
- b. Americans with Disabilities Act (ADA)/Section 504. The recipient agrees to comply, and assures the compliance of each third-party contractor, each subrecipient at any tier of the project, and any private entity with which it has a contractual or other arrangement (including but not limited to a grant, subgrant, or cooperative agreement) or relationship

with the applicable laws and regulations, discussed below, for nondiscrimination on the basis of disability.

Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), prohibits discrimination on the basis of disability by recipients of Federal financial assistance.

The Americans with Disabilities Act (ADA), as amended (42 U.S.C. 12101 et seq.), prohibits discrimination against qualified individuals with disabilities in all programs, activities, and services of public entities, as well as imposes specific requirements on public and private providers of public transportation.

DOT regulations implementing Section 504 and the ADA include 49 CFR Parts 27, 37, 38, and 39. Among other provisions, the regulations specify accessibility requirements for service delivery and the design and construction of new transportation facilities and vehicles and require the following:

- Vehicles acquired (with limited exceptions) must be accessible to and usable by individuals with disabilities, including individuals using wheelchairs;
- Public entities (including private entities “standing in the shoes” of a public entity as a subrecipient or under a contract or other arrangement or relationship, including but not limited to a grant, subgrant, or cooperative agreement) that offer fixed-route service must: (1) provide complementary paratransit service to individuals with disabilities who cannot use the fixed-route service and (2) include service requirements intended to ensure that individuals with disabilities are afforded equal opportunity to use transportation systems;
- Providers of fixed-route service must acquire vehicles that are readily accessible to and usable by persons with disabilities, including wheelchair users, as defined at 49 CFR 37.7;
- Public entities must also provide complementary paratransit service with noncommuter fixed-route service as defined in 49 CFR 37.121;
- Providers of demand responsive service must generally use vehicles that are readily accessible to and usable by persons with disabilities, including wheelchair users, as defined at 49 CFR 37.7. Inaccessible vehicles may only be used in the fleet if the entity can demonstrate that the service provided meets specific regulatory requirements for equivalent service. For private and public entities, the service must be equivalent to people with disabilities who require an accessible vehicle in regard to response time; fares; geographic areas of service; hours and days of service; availability of information; reservations capability; constraints on capacity or service availability; and any restrictions based on trip purpose consistent with 49 CFR 37.77 and 37.105.

In addition, recipients of any FTA funds should be aware that they also have responsibilities under Titles I, II, III, IV, and V of the ADA in the areas of employment, public services, public accommodations, telecommunications, and other provisions, many of which are subject to regulations issued by other Federal agencies.

New facilities, vehicles, and additions and/or alterations to existing facilities and vehicles are required to comply with regulations issued by DOT implementing the transportation provisions of the ADA (49 CFR Parts 27, 37, 38, and 39). Recipients are advised to consult appropriate FTA circulars, DOT guidance, and other official Federal guidance. Any new construction or alteration to a facility built after the enactment of the ADA must comply with all ADA requirements. Alterations to pre-ADA facilities are required to include improvements to facility accessibility, to varying extents. Recipients should consult with the FTA Office of Civil Rights to determine the requirements for accessibility improvements for alterations to pre-ADA facilities. Compliance is required whether or not the facility or alteration is federally assisted. Depending upon the nature of the facility, compliance with implementing regulations issued by other Federal agencies with ADA responsibilities may also be required. The applicant is responsible for ensuring that new facilities, vehicles, and additions/alterations to existing facilities and vehicles are designed in accordance with DOT regulations, ADA requirements, and related guidance in effect as of the date construction begins and for verifying compliance prior to accepting delivery.

- c. Title VI of the Civil Rights Act. The recipient agrees to comply and assures the compliance of each third-party contractor at any tier and each subrecipient at any tier of the project with all of the following requirements under Title VI of the Civil Rights Act of 1964:
- (1) Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.) provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
 - (2) USDOT Regulations, “Nondiscrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964,” 49 CFR Part 21.
 - (3) FTA Circular 4702.1B “Title VI Requirements and Guidelines for Federal Transit Administration Recipients.” This document provides FTA recipients and subrecipients with guidance and instructions necessary to carry out DOT Title VI regulations (49 CFR Part 21) and DOT “Policy Guidance Concerning Recipient’s Responsibilities to Limited English Proficient (LEP) Persons” (70 FR 74087, December 14, 2005).
 - (4) USDOT Policy Guidance Concerning Recipient’s Responsibilities to Limited English Proficient (LEP) Persons (December 14, 2005). This Executive Order 13166 guidance clarifies the responsibilities of recipients of Federal financial assistance from DOT and assists them in fulfilling their responsibilities to LEP persons, pursuant to Title VI of the Civil Rights Act of 1964.

-
- (5) FTA Circular 4703.1 “Environmental Justice Policy Guidance for Federal Transit Administration Recipients.” This document provides FTA recipients and subrecipients with guidance and instructions necessary to carry out DOT Order 5610.2, “Actions to Address Environmental Justice in Minority Populations and Low-Income Populations,” and Executive Order 12898 on Environmental Justice. The DOT Order describes the process that the Office of the Secretary of Transportation and each operating administration will use to incorporate environmental justice principles into existing programs, policies, and activities.
- (6) USDOT Order to Address Environmental Justice in Minority Populations and Low-Income Populations. DOT Order 5610.2 describes the process that the Office of the Secretary of Transportation and each operating administration will use to incorporate environmental justice principles (as embodied in Executive Order 12898 on Environmental Justice) into existing programs, policies, and activities.
- d. Nondiscrimination on the Basis of Age. The recipient agrees to comply with all applicable requirements of the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.), and Department of Health and Human Services’ (DHHS) implementing regulations, “Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance” (45 CFR Part 90), which prohibit discrimination against individuals on the basis of age. In addition, the recipient agrees to comply with all applicable requirements of the Age Discrimination in Employment Act (ADEA), 29 U.S.C. 621 through 634, and Equal Employment Opportunity Commission (EEOC) implementing regulations, “Age Discrimination in Employment Act” (29 CFR Part 1625), which prohibit employment discrimination against individuals on the basis of age.
- e. Nondiscrimination on the Basis of Sex. The recipient agrees to comply with all applicable requirements of Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681 et seq.), with DOT implementing regulations, “Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance,” 49 CFR Part 25.
- f. Equal Employment Opportunity (EEO). The recipient agrees to comply and assures the compliance of each third-party contractor and each subrecipient at any tier of the project, with all EEO requirements of Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000e), and with 49 U.S.C. 5332 and any implementing regulations DOT may issue.
- g. Nondiscrimination in Federal Public Transportation Programs. The recipient agrees to comply and assures the compliance of each third-party contractor at any tier and each subrecipient at any tier under the project with the provisions of 49 U.S.C. 5332. These provisions prohibit discrimination on the basis of race, color, religion, national origin, sex, or age, and prohibit discrimination in employment or business opportunity.

- h. Reports. Recipients, as a prerequisite for Federal assistance, must comply with certain civil rights requirements and routinely evaluate if their compliance requirements change.
- (1) Title VI. Recipients must submit, on a triennial basis, a report of their compliance with the objectives of FTA Circular 4702.1B. FTA Circular 4702.1B provides details on the contents of compliance reports.
 - (2) Equal Employment Opportunity (EEO). Recipients covered under FTA Circular 4704.1A, “Equal Employment Opportunity (EEO) Requirements and Guidelines for Federal Transit Administration Recipients,” which addresses EEO workplace requirements, must submit reports on their compliance with this circular every four years. FTA EEO Program reporting requirements apply to recipients, subrecipients, and contractors that employ 100 or more transit-related employees and receive capital or operating assistance in excess of \$1 million or receive \$250,000 or more from FTA for planning purposes. Agencies that have between 50 and 99 transit-related employees are required to prepare and maintain an abbreviated EEO Program. FTA Circular 4704.1A provides details on the contents of EEO compliance reports.

6. PROCUREMENT.

- a. General. When procuring property or services under an FTA grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds to the extent allowable by the Federal award. States must comply with DBE, Buy America, BABA, and 2 CFR 200.317 requirements concerning procurement of recovered materials and ensure that every purchase order or other contract includes all federally required clauses. Subrecipients of a State shall follow such policies and procedures allowed by the State in accordance with 2 CFR [1201.317](#). All other non-Federal entities must follow the procurement standards in 2 CFR [200.318](#) through [200.327](#). FTA provides guidance for complying with Federal procurement standards in Circular 4220.1F, “Third Party Contracting Guidance.”

In some cases, a State may choose to award Section 5311 assistance to a subrecipient through an intermediary subrecipient. For example, for public policy reasons, the State might pass funds to a nonprofit organization through a local governmental authority. The arrangement between the first tier and second tier subrecipient is not necessarily a contract if the ultimate subrecipient would otherwise be eligible under Section 5311 to receive funds directly from the State and the ultimate subrecipient intends to use those funds to pursue its own rural area transit project. Factors for determining whether an entity is a subrecipient or a contractor are described at 2 CFR 200.331.

In lieu of submitting to pre-procurement reviews by FTA, each recipient of FTA assistance annually certifies to FTA, in accordance with 2 CFR 200.325, that its procurement system complies with all applicable provisions of Federal laws, regulations, and directives. Any applicant that fails to provide this certification may be deemed

ineligible for award of Federal assistance if FTA determines the applicant's procurement system does not comply with Federal laws, regulations, and directives governing procurements financed with FTA assistance.

Procurement procedures used by States and their subrecipients must comply with the following specific Federal procurement requirements:

- (1) States. State procurement practices must, at a minimum, comply with the following:
 - (a) A recipient procuring rolling stock with FTA assistance may make a multiyear contract to buy the rolling stock and replacement parts under which the recipient has an option to buy additional rolling stock or replacement parts for not more than five years after the original contract date for bus procurements and for not more than seven years after the date of the original contract for rail procurements (49 U.S.C. 5325(e));
 - (b) A requirement for full and open competition (49 U.S.C. 5325(a));
 - (c) A prohibition against geographic preferences, except as permitted by law (e.g., IJJA Section 25019);
 - (d) Follow Brooks Act-style procedures for procurement of architectural and engineering services if the State has not adopted a statute governing procurement of such services (49 U.S.C. 5325(a)); and
 - (e) Inclusion in contracts of all Federal clauses required by Federal statutes and Executive Orders and their implementing regulations. These clauses are identified in specific Federal regulations cited in FTA's master agreement and incorporated by reference into the award agreement. This includes but is not limited to Davis Bacon Act requirements and other Federal legislation. Additional technical assistance for third-party contracting is available in FTA's "Best Practices Procurement Manual," which can be found online on [FTA's website](#).
 - (2) Subrecipients that Are Governmental Authorities. Subrecipients that are governmental authorities, such as local or Indian tribal governments, and are subrecipients of a State must comply with the same Federal requirements governing State procurements (2 CFR 1201.317). States are responsible for ensuring that subrecipients are aware of and comply with Federal requirements.
- b. New Model Bus Testing. Recipients must ensure that buses and vans acquired with FTA funds are tested in accordance with the requirements in 49 CFR Part 665 and must obtain a copy of the resulting test report before FTA funds can be released. FTA provides a bus testing section on its [website](#) that provides an overview of the program and assists with understanding applicable procedures and policies.

The bus testing provisions under 49 U.S.C. 5318 require that FTA establish a pass/fail testing standard. FTA funds will be available to acquire a new bus model only if it has received a passing score.

- c. Buy America Domestic Preference. FTA may obligate an amount for a project only if the steel, iron, and manufactured goods used in the projects are produced in the United States (see 49 U.S.C. 5323(j)). In addition, the Build America, Buy America Act (BABA) (Pub. L. 117-58, Sections 70901-27) provides that FTA may not obligate funds for a project unless all iron, steel, manufactured products, and construction materials used in the project are produced in the United States. (Note that these requirements are different from the Buy American rules that generally apply to all Federal agency procurements (41 U.S.C. Chapter 83)). FTA recommends that the recipient review FTA’s Buy America regulations and the latest Buy America and BABA guidance (available on the FTA Buy America website) before undertaking any procurement to ensure compliance.
- (1) Steel and Iron. All steel and iron manufacturing processes must take place in the United States, except metallurgical processes involving refinement of steel additives. The steel and iron requirements apply to all construction materials made primarily of steel or iron and used in maintenance facilities, rail lines, and bridges. These items include but are not limited to structural steel or iron, steel or iron beams and columns, running rail, and contact rail. These requirements do not apply to steel or iron used as components or subcomponents of other manufactured products or rolling stock (49 CFR 661.5(b)–(c)).
 - (2) Manufactured Products. For a manufactured product to be considered produced in the United States: (1) all the manufacturing processes for the product must take place in the United States and (2) all the components of the product must be of U.S. origin. A component is considered of U.S. origin if it is manufactured in the United States, regardless of the origin of its subcomponents (49 CFR 661.5(d)). Rolling stock is subject to a special Buy America standard, described below.
 - (3) Construction Materials. Construction materials used in an FTA-funded project are subject to the domestic preference requirement of the Build America, Buy America Act, Pub. L. 117-58, div. G, tit. IX, 70911 – 70927 (2021), as implemented by OMB guidance to Federal awarding agencies on the Buy America Preference at 2 CFR 184.6. Additional information is available on the FTA [Buy America website](#).
 - (4) Rolling Stock. For purposes of Buy America, rolling stock includes “all individual items identified as rolling stock in 49 CFR 661.3 (e.g., buses, vans, cars, railcars, locomotives, trolley cars and buses, ferry boats, as well as vehicles used for support services), train control, communication, and traction power equipment that meets the definition of end product at 49 CFR 661.3 (e.g., a communication or traction power system, including manufactured bimetallic power rail).” See 49 CFR 661.3 Appendix A.

-
- (a) Domestic Content. Rolling stock must have a minimum amount of domestic content, and final assembly of the rolling stock must occur in the United States. The minimum amount of domestic content varies by year. For rolling stock procurements that will deliver a first production vehicle during or after FY 2020, the cost of components and subcomponents produced in the United States must be more than 70 percent of the cost of all components of the rolling stock (49 U.S.C. 5323(j)(2)(C)). Refer to FTA's "Notice of Policy on the Implementation of the Phased Increase in Domestic Content Under the Buy America Waiver for Rolling Stock ..." 81 Fed. Reg. 60278 (Sept. 1, 2016) for additional information about the phase-in of domestic content percentages between 2016 and 2020. Requirements for domestic content for rolling stock are set out at 49 CFR 661.11. Pre-award and post-delivery review requirements are outlined below.
- (b) Pre-award and Post-delivery Reviews. Grant recipients must undertake reviews of rolling stock to be used in revenue service both before formal award of the contract and following delivery of the vehicles. The purpose is to ensure compliance with Buy America's domestic content requirements, the recipient's bid specifications, and Federal Motor Vehicle Safety Standards (49 U.S.C. 5323(m)). FTA implements the requirement for pre-award and post-delivery reviews at 49 CFR Part 663. The recipient must certify its compliance on the annual list of Certifications and Assurances.

In carrying out the reviews, it may be useful to obtain a copy of "Conducting Pre-Award and Post-Delivery Audits for Rolling Stock Procurements" (Report 0106) from FTA's [website](#).

- (c) Purchaser's Requirements Certification. Grant recipients must certify a resident inspector (other than an agent or employee of the manufacturer) was at the manufacturing site throughout the period of manufacture of the rolling stock to be purchased and monitored and completed a report on the manufacture of such rolling stock (49 CFR 663.37). The following procurements are exempt from this requirement:
- i Ten or fewer buses;
 - ii Twenty vehicles or fewer serving rural (other than urbanized) areas or urbanized areas of 200,000 people or fewer; or
 - iii Any number of primary manufacturer standard production and unmodified vans, if after visually inspecting and road testing the vehicles, the vehicles meet the contract specifications.
- (5) Responsibilities. Under 49 CFR 661.13, a recipient's responsibilities are:
- (a) To adhere to the Buy America clause in its award agreement with FTA;

-
- (b) To include in its bid specification for procurement an appropriate notice of the Buy America provision. Such specifications must require, as a condition of responsiveness, that the bidder or offeror submit with the bid a completed Buy America certificate in accordance with 49 CFR 661.6 or 661.12, as appropriate; and
- (c) To ensure a bidder complies with its original certifications. A bidder or offeror certifying that it will comply with the applicable Buy America requirements may not change its certification after bid opening or the submission of final offers. However, 49 CFR 661.13(b) allows a bidder or an offeror to correct an inadvertent error in a certification of noncompliance after a bid has been unsealed, with the burden of establishing the inadvertent error falling upon the bidder.
- (6) Waivers. A project sponsor seeking a waiver must demonstrate the necessity of the waiver to the satisfaction of FTA and the Made in America Office of OMB. The Made in America Office will review the proposed waiver to determine if it is consistent with applicable law and policy (see OMB's October 25, 2023, M-24-02 Memorandum for Heads of Executive Departments and Agencies). A project sponsor should not assume a waiver will be granted. FTA may issue a waiver from Buy America requirements on one of three grounds:
- (a) If the FTA Administrator determines a waiver is in the public interest;
- (b) When U.S. manufacturers do not produce products in a sufficient and reasonably available amount or of a satisfactory quality; or
- (c) When including domestic material will increase the cost of the overall project by more than 25 percent (49 U.S.C. 5323(j)(2)).
- (7) General Waivers. Recipients may use general waivers from the Buy America requirements without submitting a waiver request to FTA. General waivers are listed at Appendix A to 49 CFR 661.7 and on FTA [Buy America website](#). Recipients should review general waiver requirements carefully to ensure that waivers are applied appropriately. FTA general waivers include waivers for:
- (a) Nonavailable Articles. This waiver incorporates all waivers published in 48 CFR 25.104, which establishes excepted articles, materials, and supplies for the Buy American Act of 1933 (41 U.S.C. 10a-d), as the waivers may be amended from time to time.
- (b) Microprocessors. FTA has issued a general public interest waiver from the Buy America requirements to microprocessors, computers, microcomputers, or software, or other such devices, which are used solely for the purpose of processing or storing data. This general waiver does not extend to a product

or device which merely contains a microprocessor or microcomputer and is not used solely for the purpose of processing or storing data.

- (c) Small Purchases. FTA has issued a general public interest waiver that exempts “small purchases” from Buy America requirements at 49 U.S.C. 5323(j). The term “small purchase” means a purchase of not more than \$150,000 (49 U.S.C. 5323(j)(13)). FTA bases the exemption on the total amount of the contract or subcontract, including labor and options, and not just the value of the goods purchased (FTA’s Guidance Letter on Buy America Small Purchase Waivers (Sept. 16, 2016)). This waiver does not apply to construction materials. Note that this small purchase waiver is not related to the micro-purchase or simplified acquisition thresholds that determine procurement processes.
- (d) De minimis costs and Small Grants Waiver. DOT has issued a Departmentwide waiver of the Buy America requirements for iron, steel, manufactured products, and construction materials under a single financial assistance award for which:
- i The total value of the non-compliant products is no more than the lesser of \$1,000,000 or five percent of total applicable costs for the project; or
 - ii The total amount of Federal financial assistance applied to the project, through awards or subawards, is below \$500,000.
- d. Transit Vehicle Manufacturer DBE Program Requirement. Recipients must ensure that each TVM, as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurements, certifies that it has complied with the requirements of 49 CFR Part 26, “Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.” The recipient is obligated to determine, by checking the TVM listing on FTA’s website or by checking with FTA’s Office of Civil Rights at the time of bid opening, that the manufacturer likely to receive the contract is in compliance with Part 26. For further guidance, contact the FTA Office of Regional Civil Rights.
- TVMs must establish and submit to the FTA Office of Civil Rights for approval an annual overall percentage goal. In setting this overall goal, manufacturers should be guided, to the extent applicable, by the principles underlying 49 CFR 26.45. TVMs that are eligible to bid on federally funded transit agency contracts are listed on FTA’s website. For further guidance, contact the FTA Office of Civil Rights.
- e. Competitive Procurements. A recipient must conduct all procurement transactions using FTA assistance in a manner that provides full and open competition and may not use an exclusionary or discriminatory specification in a procurement (49 U.S.C. 5325(a) and 5323(h)(3)). Standards for competitive procurements are contained in the Uniform

Administrative Requirements at 2 CFR 200.317–200.327. When a recipient is procuring architectural, engineering, or design services, it must use a qualifications-based (i.e., “Brooks Act” style) procurement procedure (49 U.S.C. 5325(b)).

In addition to the general competition requirements, 49 U.S.C. 5325 contains requirements for awarding to other than low bidders, requirements for awards to responsible contractors, limitations on the duration of rolling stock contracts, authority for design-build projects, and a prohibition against applying any State law that requires buses to be purchased through in-State dealers.

FTA Circular 4220.1F provides detailed guidance for recipient procurements, including guidance for complying with competition rules. [FTA’s Best Practices Procurement and Lessons Learned Manual](#) provides another useful source of procurement information.

7. **CROSS-CUTTING REQUIREMENTS.** Recipients must comply with all applicable Federal laws, regulations, and requirements, except to the extent that FTA determines otherwise in writing.
 - a. **Introduction.** In addition to the program-specific requirements, FTA recipients are held to a number of FTA-specific and other Federal requirements. This chapter provides a summarized, alphabetical listing of those requirements and provides citations to the actual statutory or regulatory text. If there is a conflict between the summary information provided in this chapter and the statute or regulation, the language of the statute or regulation controls. This circular should be used in conjunction with FTA’s Master Agreement and the current fiscal year’s “Certifications and Assurances” that recipients must sign annually (by using TrAMS) to establish or renew their funding relationship with FTA.

The Master Agreement and the Certifications and Assurances represent the recipient’s legal affirmation to abide by FTA and other Federal requirements that are applicable to their grant programs.

Some of the topics covered in the Master Agreement and the Certifications and Assurances are summarized throughout this chapter, as a reminder to recipients of their obligations to FTA. More information about individual requirements can be found in the Master Agreement, the Certifications and Assurances on the [FTA public website](#), the FTA [TrAMS website](#), and in the references provided throughout this chapter.

Recipients are encouraged to contact the appropriate FTA Regional Office for more details about these requirements.

- b. **Buy America.** FTA funding comes with a requirement to use U.S. manufactured steel, iron, manufactured products, and construction materials. This domestic preference is called Buy America. See above for a more detailed description of Buy America.

- c. Charter Bus Services. Title 49 U.S.C. 5323(d) limits charter service provided by federally assisted public transportation operators. FTA regulations specify these limitations in 49 CFR Part 604. Each recipient agrees that the recipient will not engage in charter service unless permitted by FTA charter service regulations. Charter service is defined in 49 CFR 604.3(c).

In addition, the charter rule established an electronic private charter provider database. Interested private operators must register at the FTA [charter bus service website](#) in order to receive notice from transit agencies regarding potential charter trips. Private operators may register their geographic area by zip code. When a transit agency receives a request for charter service that does not fit within one of the other exceptions outlined in the rule, and it is interested in performing the service, it must send notice to all private operators registered in the recipient's geographic service area. The notice sent by the transit agency must conform strictly to the requirements of the rule, as additional information may void the notice and may subject the transit agency to a complaint from registered charter providers. The rule also provides a detailed process for the following:

- Filing a complaint challenging the registration of a private charter operator or qualified human service organization; and
- Filing a complaint regarding the provision of charter service by a recipient.

The rule contains hearing procedures, appeal procedures, and several appendices to assist transit agencies with compliance, including a penalty matrix and a series of frequently asked questions and answers.

- d. Clean Air Act (CAA). The principal CAA requirement with which FTA-funded projects must comply is the transportation conformity rule. The conformity requirements are contained in an Environmental Protection Agency (EPA) regulation (40 CFR Part 93), and they apply in nonattainment and maintenance areas only—areas that either: (1) currently violate one or more of the National Ambient Air Quality Standards (nonattainment areas) or (2) once violated the standards but have since been redesignated to attainment status by EPA (maintenance areas). The transportation conformity process applies not only to federally funded projects but also to long-range transportation plans and Transportation Improvement Programs (TIPs). Determining conformity for transportation plans and TIPs is the responsibility of the Metropolitan Planning Organization (MPO). The Federal Highway Administration (FHWA) and FTA must review the conformity determination and issue a statement saying that the plan and/or TIP conforms. Determining conformity for individual projects is the project sponsor's responsibility. Again, FTA and/or FHWA must review this determination and issue a statement, usually in the context of the environmental decision document, saying that the project conforms.

The transportation conformity regulation reserves detailed air quality analysis for large projects that have the potential to create new violations or make existing violations worse. There is also a list of exempt highway and transit projects in the regulation that

does not require any analysis, which can be found at 40 CFR 93.126. Many transit projects are exempt from the conformity requirements and can be processed expeditiously. Regardless of the type of project being considered, early consultation with FTA is essential for proposed projects in nonattainment and maintenance areas to establish what the requirements are and how best to satisfy them. The planning and environmental staff working in FTA Regional Offices are the best points of contact for air quality and transportation conformity issues.

The Federal share for the acquisition of vehicles for purposes of complying with or maintaining compliance with the CAA is 85 percent. Further, the Federal share for project costs for acquiring vehicle-related equipment or facilities (including clean fuel or alternative fuel vehicle-related equipment or facilities) for purposes of complying or maintaining compliance with the CAA is 90 percent. The following projects are eligible in any area of the country at the respective Federal shares noted above and are specifically eligible in order to comply with the CAA for nonattainment or maintenance areas. They include:

- (1) Purchasing or leasing clean fuel buses (clean natural gas, liquefied natural gas, battery hybrid, full electric, or fuel cell systems), including buses that employ a lightweight composite primary structure;
 - (2) Constructing or leasing clean fuel buses or electrical recharging facilities and related equipment for such buses;
 - (3) Constructing new or improved existing public transportation facilities to accommodate clean fuel buses; and
 - (4) At the discretion of the Secretary, projects located in nonattainment or maintenance areas relating to clean fuel, hybrid electric, or zero emissions technology buses that exhibit equivalent or superior emissions reductions to existing clean fuel or hybrid electric technologies.
- e. Commercial Driver's License (CDL). Recipients must comply with the driver's license requirements of Federal Motor Carrier Safety Administration (FMCSA) regulations, "Commercial Driver's License Standards, Requirements, and Penalties" (49 CFR Part 383) and "State Compliance with Commercial Driver's License" (49 CFR Part 384) to the extent applicable.
- f. Debarment and Suspension. The purpose of the DOT governmentwide debarment and suspension (non-procurement) regulations (2 CFR Part 1200) is to ensure that Federal assistance funds are not provided to anyone who has been debarred, suspended, determined ineligible, or voluntarily excluded from participation in federally assisted transactions. The U.S. General Services Administration's (GSA's) system for award management (SAM) provides a single comprehensive list of individuals and firms excluded by Federal government agencies from receiving Federal contracts or federally

approved subcontracts and from certain types of Federal financial and nonfinancial assistance and benefits. GSA maintains a list of excluded parties on [SAM.gov](https://www.sam.gov).

- (1) DOT regulations, “Governmentwide Debarment and Suspension (Non-procurement)” (2 CFR Part 1200), incorporating OMB’s debarment and suspension guidelines (2 CFR Part 180), require disclosure of the status of persons and entities participating in:
 - (a) Third-party contracts or subagreements of \$25,000 or more at any tier;
 - (b) Third-party contracts of any amount for federally required audit services (e.g., those required under the Single Audit Act Amendments); and
 - (c) Third-party contracts or subagreements requiring official DOT approval.
- (2) Both participants in third-party contracts of any tier and subagreements of any tier must assure the status of persons participating therein.
- (3) The awarding party must verify that the person is not excluded or disqualified by:
 - (a) Checking the [SAM list](#) of excluded parties maintained by the GSA;
 - (b) Collecting a certification from the prospective awardee; or
 - (c) Adding a clause or condition to the third-party contract or subagreement with that awardee.

In addition, the recipient and awardees participating in lower tier transactions must extend these requirements to their awardees. The prospective awardee in turn must notify the recipient or third-party contractor (person at the next higher tier) if it knows whether or not it or any of its principals are presently excluded or disqualified under these regulations.

- g. Design and Construction of Facilities. The responsibility for design and construction management and oversight lies with the recipient. FTA does not approve design plans, specifications, contract terms, etc. for the manner and execution of construction projects. FTA has published two documents to assist recipients:

- (1) [Project and Construction Management Guidelines](#); and
- (2) [Construction Project Management Handbook](#).

The “Project and Construction Management Guidelines” have been developed to assist those involved in advancing transit capital awards to achieve implementation success in terms of the project scope of work, function, schedule, cost, and quality. The guidelines provide explanations of all known techniques to manage construction projects. They generally apply to complex, large, and long-duration projects. Use of the guidelines

should contribute to effective project management on the part of the recipient, and effective oversight and guidance by FTA and the Project Management Oversight (PMO) contractor. Each phase of a construction project within an award should: (1) start with inputs or a baseline and (2) have a process that refines the project definition and generates outputs that become the inputs or baseline for the subsequent phase. By defining the requirements for each phase and detailing sound approaches to their accomplishment, the “Project and Construction Management Guidelines” allow recipients to define construction requirements, allocate resources, perform activities, monitor progress, and adjust, as required, to obtain the proper information and assure decisions are made at the appropriate time. Adherence to the guidelines should minimize scope of work changes, schedule slippages, cost overruns, and quality problems and contribute to fully meeting all the performance objectives of the transit capital award.

The purpose of the “Construction Project Management Handbook” is to provide guidelines for use by public transit agencies undertaking substantial construction projects within an award, either for the first time or with little prior experience with construction project management. The handbook provides a comprehensive introduction to construction project management, including the applicability of the principles of project management and of all phases of project development—from project initiation through planning; environmental clearance; real estate acquisition; design; construction; commissioning; and closeout. The principles outlined in the handbook may be considered for use on projects but are not required. The handbook provides guidance tailored more to agencies that are constructing maintenance and operational facilities, intermodal terminals, park-and-ride stations, and other similar supporting transit facilities that may be shorter projects.

- h. Drug and Alcohol (D&A) Testing. In the interest of safety in transit operations, recipients of funding from the 5307 Urbanized Area Program, 5309 Capital Investment Program, or the 5311 Formula Grants for Rural Areas are required by 49 U.S.C. 5331 to establish D&A testing programs.

The purpose of the D&A Testing Program is to help prevent accidents, fatalities, and injuries resulting from misuse of alcohol or the use of prohibited drugs by employees who perform safety-sensitive functions. Recipients must also certify annually that they are in compliance with DOT and FTA regulations concerning D&A testing (49 CFR Parts 40 and 655 respectively). Establishing a testing program is a condition of FTA funding. For noncompliance with Parts 40 and 655, 49 U.S.C. 5331(g) allows the Secretary to bar a recipient from receiving FTA assistance in an amount that the Secretary deems appropriate. Where applicable, recipients of FTA funding may instead be required to comply with Federal Railroad Administration (FRA) (49 CFR Part 219—for commuter rail), FMCSA (49 CFR Part 382—for contractors with mixed transit/motor carrier/school bus), and United States Coast Guard (USCG) (46 CFR Parts 4 and 16—for ferryboat) regulations concerning D&A programs.

FTA's regulation (49 CFR Part 655) applies to "employers," and the term employer is defined as "a recipient [of FTA funding] or other entity that provides [public] transportation service or which performs a safety-sensitive function for such recipient or other entity." The term includes subrecipients, operators, and contractors. The Direct Recipient of FTA funding, however, remains responsible to FTA both for carrying out the regulations and for ensuring that any person or organization performing a safety-sensitive function on its behalf is in compliance with FTA regulations with effective ongoing oversight. FTA's regulation does not apply to construction phases of funded projects. Contractors that supply newly manufactured equipment are excluded, as are facility construction workers. The regulation applies to the testing, startup, and actual revenue operations of FTA-funded transit systems. Van pool drivers, as volunteers and not employees of a transit system that do not receive remuneration over their actual expenses, are exempt from testing. Also exempt are taxi or transportation network companies' operations for on-demand transportation where the patron chooses the service through a user subsidy or voucher and the service is not dispatched through the FTA recipient or subrecipient. In addition, maintenance contractors for rural 5311 providers and providers in UZAs with populations of less than 200,000 are exempt as well.

FTA's regulation requires testing of employees who perform one or more of five transit safety-sensitive functions, which are defined at 49 CFR 655.4. The regulation requires the following six types of testing for illegal drug use and alcohol misuse: pre-employment (including transfer from a non-safety-sensitive position to a safety-sensitive position and removal from the random pool for 90 days or more); reasonable suspicion; random; post-accident; return-to-duty (after a violation); and follow-up (a minimum of six tests in 12 months after returning to duty). Return-to-duty and follow-up tests are required to be directly observed.

FTA's regulation requires each employer to establish and implement a substance abuse prevention program consisting primarily of a testing program but with elements requiring training, educating, and evaluating safety-sensitive employees. The regulation requires the development of a detailed policy statement that must be distributed to all safety-sensitive employees and employee organizations. In addition, 49 CFR Part 655, subpart D, establishes prohibited alcohol concentration levels and behavior, and employers are directed to take specific action on the basis of the level of alcohol concentration.

Technical assistance materials and training information to help recipients implement the rules are available at [FTA's website](#) or through contacting the FTA Office of Transit Safety and Oversight, FTA Headquarters.

- i. Drug-Free Workplace. In accordance with the Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq.) and 49 CFR Part 32, each recipient is required to maintain a drug-free workplace for all employees and to have an antidrug policy and awareness program. The recipient must agree that it will provide a drug-free workplace and comply with all

requirements of 49 CFR Part 32. These provisions apply only to FTA's Direct Recipients and do not extend to subrecipients.

The recipient is required to provide a written drug-free workplace policy statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and stating specific actions that will be taken for violations. The DOL provides a [drug-free workplace advisor](#) to assist users in developing tailored policy statements. The ongoing drug-free awareness program must inform employees about the dangers of drug abuse; any available drug counseling, rehabilitation, and employee assistance programs; penalties that may be imposed; and that employees are to be aware that the recipient operates a drug-free workplace.

An employee of an FTA recipient is required to report in writing any conviction for a violation of a criminal drug statute occurring in the workplace, and the recipient/employer is required to provide written notice to FTA within 10 days of having received the notice. Within 30 days of receiving the notice of a conviction, the recipient/employer must have taken appropriate action against the employee or have required participation in a drug abuse assistance or rehabilitation program.

Technical assistance materials and training information to help recipients implement the drug-free workplace and D&A testing rules are available on [FTA's website](#) or by contacting FTA's Office of Safety and Oversight, FTA Headquarters, 1200 New Jersey Ave. SE, Washington, DC 20590.

- j. Employee Political Activity. To the extent applicable, the recipient agrees to comply with the provisions of the Hatch Act, 5 U.S.C. 1501–1508 and 7324–7326, and U.S. Office of Personnel Management regulations, “Political Activity of State or Local Officers or Employees,” 5 CFR Part 151. The Hatch Act limits the political activities of State and local agencies and their officers and employees whose principal employment activities are financed in whole or part with Federal funds, including a Federal grant, cooperative agreement, or loan. Nevertheless, in accordance with 49 U.S.C. 5323(1)(2) and 23 U.S.C. 142(g), the Hatch Act does not apply to a nonsupervisory employee of a public transportation system (or of other agencies or entities performing related functions) receiving FTA assistance to whom the Hatch Act would not otherwise apply.
- k. Energy Conservation. The recipient agrees to comply with applicable mandatory energy efficiency standards and policies of applicable State energy conservation plans issued in accordance with the Energy Policy and Conservation Act, as amended (42 U.S.C. 6321 et seq.). The recipient, to the extent applicable, agrees to perform an energy assessment for any building constructed, reconstructed, or modified with FTA assistance, as provided in the FTA regulations “Requirements for Energy Assessments” per 49 CFR Part 622, subpart C. Only after the completion of an energy assessment will FTA approve assistance for the construction, reconstruction, or modification of buildings for which the recipient submits an application. An energy assessment consists of an analysis of the

total energy requirements of a building, within the scope of the proposed construction activity and at a level commensurate with the project size and scope. The energy assessment should consider overall design of the facility or modification; materials and techniques used in construction or rehabilitation; special or innovative conservation features that may be used; fuel requirements for heating, cooling, and operations essential to the function of the structure projected over the life of the facility, including projected costs of this fuel; and the kind of energy the recipient will use.

1. Environmental Considerations. Prior to most projects receiving FTA funding, FTA is required to consider the project's potential impacts on the environment. These environmental reviews are conducted under the National Environmental Policy Act (NEPA) and related Federal environmental laws, such as the National Historic Preservation Act, regulations, and Executive Orders. Most projects seeking FTA financial assistance require compliance with NEPA implementing regulations (40 CFR Parts 1500–1508), FTA's environmental regulations (23 CFR Part 771), Efficient Environmental Reviews for Project Decision-Making (23 U.S.C. 139), and numerous other environmental laws, regulations, and orders, such as Section 106 of the National Historic Preservation Act (36 CFR Part 800), the Clean Water Act, and the Endangered Species Act. Project sponsors should consult with the FTA Regional Office early in project development to identify the appropriate class of action (categorical exclusion (CE), environmental assessment (EA), or environmental impact statement (EIS)) for the NEPA review and any other environmental requirements. Project sponsors shall not move forward with any steps to develop the project that would preclude the fair consideration of alternatives (e.g., final design activities, property acquisition, and construction) until FTA concludes the NEPA process by issuing a combined final environmental impact statement (FEIS)/record of decision (ROD), a FEIS and ROD, a finding of no significant impact (FONSI), or a CE determination. Early or advance acquisition of real property typically can only occur if the acquisition qualifies: (1) under FTA's corridor preservation statute (49 U.S.C. 5323(q)(2) as a hardship or protective acquisition CE (23 CFR 771.118(d)(3)) or (2) for the limited, stand-alone property acquisition CE where there is no substantial change in the functional use of the property being acquired (as well as the CE's other conditions) (23 CFR 771.118(c)(6)). The resources required to complete this process (time, documentation, consultant services, etc.) will vary depending on the type of project and its potential to impact the human and natural environment. The following list identifies and briefly describes each level of environmental review that may apply to a project:

- (1) Categorical Exclusion (CE). Projects that, based on FTA's experience with similar projects, do not involve significant environmental impacts (23 CFR 771.118) may qualify as a CE. FTA's environmental regulations outline two lists for the types of projects that are categorically excluded. The C-list (23 CFR 771.118(c)) is a specific list of CEs that normally require minimal documentation. Typical examples of this type of project are buying a bus or construction of transit facilities primarily within the transportation right-of-way. The D-list (23 CFR 771.118(d)) describes other project types that may qualify as a CE if appropriately analyzed,

documented, and approved by FTA. FTA's environmental standard operating procedures (SOP) No. 16 Review and File Management of Categorical Exclusions provides guidance on responsibilities and procedures for processing, coordinating, and issuing determinations for CEs.

- (2) Environmental Assessment (EA) and Environmental Impact Statement (EIS). Projects that are complex in scope and/or are viewed as controversial by the public may require the preparation of an EA. This level of environmental review provides the public with an opportunity to comment and will ultimately determine whether or not the project will result in any significant impacts. If the analysis in an EA concludes that the project will result in significant impacts, or if from the early planning stages, it is determined the size and scope of the project will result in significant impacts, an EIS will be required. Most recipients typically need to enlist consultant services when preparing an EA or EIS. Refer to [FTA's environmental SOPs](#) for guidance on the review and processing of EAs and EISs.

Recipients or project sponsors should consult with FTA early in the grant application process and, prior to expending funds for a planned project for which Federal funds are requested, should confirm the appropriate level of environmental review.

Further detail and explanation on the different levels of environmental review can be found in FTA's environmental regulations at 23 CFR Part 771 and [FTA's environmental SOPs](#). Recipients must receive confirmation that their proposed FTA-funded project has complied with environmental policies and procedures provided in 23 CFR Part 771 before FTA can approve the grant application and funds can be obligated.

- m. Environmental Justice. Executive Order 12898, *Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations*, requires the USDOT and FTA to make environmental justice part of our mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of our programs, policies, and activities on minority populations and/or low-income populations. Environmental justice at FTA includes incorporating environmental justice and nondiscrimination principles into transportation planning and decision-making processes as well as project-specific environmental reviews. FTA Circular 4703.1 provides FTA recipients and subrecipients with guidance and instructions necessary to carry out the Executive Order.
- n. Intergovernmental Review. Executive Order 12372 and DOT regulations, "Intergovernmental Review of Department of Transportation Programs and Activities" (49 CFR Part 17), require that a grant applicant applying for FTA funds comply with a State's intergovernmental review process. The requirement is to ensure that the appropriate State authorities are informed about projects for which Federal assistance is being provided within the State and that they have an opportunity to comment. Many States have their own review procedures, which describe the Federal programs, activities

that had been selected for intergovernmental review, and how applicants satisfy the State's intergovernmental review requirements.

If there is no intergovernmental review process in the grant applicant's State, then programming of a project in the Transportation Improvement Program (TIP) and Statewide Transportation Improvement Program (STIP), Unified Planning Work Program (UPWP), or State Planning Work Program (SPWP), as appropriate, will be considered by FTA as meeting the need for intergovernmental review.

If there is an adopted State process of intergovernmental review for an FTA program or activity, FTA requires that the applicant, upon the MPO's approval of the TIP, notify the single point of contact for the State's intergovernmental review process that the MPO has approved the TIP and that the applicant has submitted the TIP to the governor for approval and subsequent inclusion in the STIP.

The applicant must provide the single point of contact, with the name and mailing address of the office to which it is submitting the TIP. The applicant may wish to transmit to the single point of contact or request the MPO to transmit pertinent documents on public transportation projects from the approved TIP. Timely alerting of the single point of contact will allow that entity to review and comment on the projects in the TIP during the STIP development process, if the entity so chooses. In TrAMS, an applicant should indicate whether Executive Order 12372 applies and the date the State reviewed the application, if applicable.

o. Labor Protections.

- (1) Davis-Bacon Act. For FTA programs, 49 U.S.C. 5333(a) imposes Davis-Bacon Act prevailing wage requirements. This provision applies only to construction projects. If a project involves construction, Section 5333(a) requires the Secretary to ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of loans or grants under Chapter 53 be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor. FTA may not approve any such loan or grant without first obtaining assurance that required labor standards would be maintained upon the construction work. This assurance is obtained when recipients accept grant funds and sign the Master Agreement.
- (2) Transit Employee Protection. Before FTA may award a grant for capital or operating assistance, fair and equitable arrangements must be made to protect the interests of transit employees affected by the proposed FTA assistance (49 U.S.C. 5333(b), formerly Section 13(c) of the Federal Transit Act). Those arrangements must be certified by the Secretary of Labor as meeting the requirements of the law.

Questions concerning employee protective arrangements and related matters pertaining to transit employees should be addressed to the Division of Statutory Programs, Employment Standards Administration, U.S. Department of Labor, Room N-1519, 200 Constitution Avenue NW, Washington, DC 20210; telephone 202-693-1193; fax 202- 693-1344.

- p. Lease versus Buy Considerations. Where appropriate, an analysis should be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach (2 CFR 200.318(d)). The Uniform Cost Principles provide detailed considerations for the allowability of lease costs (2 CFR 200.465).
- q. Pass-through Arrangements. A Designated Recipient or State may choose to pass its grant funds through to another entity (subrecipient) to carry out the purposes of the recipient's agreement with FTA. Depending on the grant program, eligible subrecipients may include public agencies or private nonprofit organizations engaged in public transportation, including those providing services open to a segment of the general public, as defined by age, disability, or low-income status.

To establish a pass-through agreement, the recipient must enter into a written agreement with the subrecipient for the subrecipient to comply with its obligation to satisfy the requirements of the grant agreement.

A recipient choosing to pass-through funds must inform the FTA Regional Office of the arrangement in its application or through other documentation. Post-award changes to add a pass-through agreement may require an amendment. The recipient must also inform FTA of any changes in that arrangement during the life of the project.

Unlike supplemental agreements between the Designated Recipient (actual recipient) and FTA, a pass-through arrangement to a subrecipient does not relieve the recipient of its responsibilities to carry out the terms and conditions of the grant agreement. The recipient named on the award agreement with FTA is the entity legally accountable to FTA for performance of the project or program, the appropriate expenditure of funds by all parties, and other requirements placed on the recipient. In the event of noncompliance by a subrecipient with an applicable requirement, FTA will turn to the recipient for any repayment or other required action.

- r. Presidential Coin Act. In accordance with Pub. L. 109-145, beginning January 1, 2006, all transit systems that receive operational subsidies or any disbursement of funds from the Federal government shall be fully capable of accepting and dispensing \$1 coins and must display signs and notices denoting such capability on the premises where coins or currency are accepted or dispensed, including on each vending machine.
- s. Private Sector Participation. Federal law requires the public to be involved in the transportation planning process, and specifically requires that private providers be provided an opportunity to be consulted in developing transportation plans and programs

in both urbanized and rural areas. Public involvement processes must be proactive and provide complete information, timely public notice, full public access to key decisions, and opportunities for early and continuing involvement throughout the transportation planning and programming process.

- t. Restrictions on Lobbying. Federal financial assistance may not be used to influence any member of Congress or an officer or employee of any agency in connection with the making of any Federal contract, grant, or cooperative agreement. The State, subrecipients, and third-party contractors at any tier awarded FTA assistance exceeding \$100,000 must certify they will not make any payment of Federal assistance for such purposes and must complete and submit standard form SF-LLL to disclose the expenditure of non-Federal funds for such purposes (49 CFR Part 20).

Other Federal laws also govern lobbying activities. For example, Federal funds may not be used for lobbying congressional representatives or senators indirectly, such as by contributing to a lobbying organization or funding a grassroots campaign to influence legislation (31 U.S.C. 1352). These laws do not prohibit general advocacy for transit. Providing information to legislators about the services a recipient provides in the community is not prohibited, nor is using non-Federal funds for lobbying, so long as the required disclosures are made.

- u. Safety. Section 5329 of Title 49 U.S.C. provides FTA with the authority to establish a comprehensive framework to oversee the safety of public transportation throughout the United States. This includes a National Public Transportation Safety Plan (National Safety Plan), a Public Transportation Safety Certification Training Program (PTSCTP), a Public Transportation Agency Safety Plan (PTASP) program, and a State Safety Oversight (SSO) program.
- v. School Bus Transportation. Section 5323(f) of title 49 U.S.C. prohibits the use of FTA funds for exclusive school bus transportation for school students and school personnel. The implementing regulation (49 CFR Part 605) does permit regular service to be modified to accommodate school students along with the general public (known as “tripper service”). For the purpose of FTA’s school bus regulation, Head Start is considered a social service, not a school program. Rules for the Head Start Program limit the types of vehicles which may be used to transport children participating in a Head Start Program. FTA recipients may operate multifunctional school activity vehicles that meet the safety requirements for school transportation, as long as they do not provide exclusive school service.
- w. Seismic Design and Construction Standards. A grant applicant must assure FTA that any new building or addition to an existing building it designs and constructs with Federal assistance is compliant with seismic safety standards. The grant applicant is responsible to know before accepting delivery that the building complies with seismic design and construction requirements and, in accordance with DOT implementing regulations, “Seismic Safety,” at 49 CFR 41.117(d), must assure FTA that it will obtain a certificate

of compliance with the requirements. A recipient makes this assurance through the FTA annual certification process.

- x. Sensitive Security Information. To the extent applicable, the recipient agrees to comply with 49 U.S.C. 40119(b) and to implement the DOT regulation “Protection of Sensitive Security Information” (49 CFR Part 15); 49 U.S.C. 114(s); and to implement the Department of Homeland Security, Transportation Security Administration regulation “Protection of Sensitive Security Information” (49 CFR Part 1520).
 - y. Title VI Equity Analysis for Facilities. In determining the site or location of certain facilities (e.g., storage facilities, maintenance facilities, operations centers, etc.), recipients must conduct a Title VI equity analysis to ensure the location is selected without regard to race, color, or national origin in accordance with the applicable requirements laid out in FTA Circular 4702.1B, “Title VI Requirements and Guidelines for Federal Transit Administration Recipients.”
8. PROJECT SIGNAGE. FTA recipients are encouraged to prominently display project signage designed to identify projects approved and funded by the DOT. Given the wide variability of transit projects, FTA does not specify a particular size or format of sign, but provides the following guidelines:
- (1) Project signs should display logos for the DOT and FTA. The logos should be included on every sign.
 - (2) Signs should be designed to maximize visibility of logos and minimize any accompanying text.
 - (3) Minimal text should be included on the sign. For example, “This project funded by...” preceding logos or “This station improvement...” or “This bus...” as appropriate, but text is not required.
 - (4) Grantees may adapt placement of the logos and may design signs to be suitable to the specific project on which they are displayed but may not alter the design and colors of the logos themselves.
 - (5) Signs at construction projects (facilities, for example) should be placed where they are visible to passersby and to customers approaching the site. FTA understands that a new facility may merit a durable permanent sign.
 - (6) Revenue service vehicles may be identified by a decal and/or bumper sticker visible to the public and to boarding passengers. FTA understands that the useful life of a bumper sticker or decal may be less than the useful life of the vehicle to which it is attached.
 - (7) If a construction project involves roadways, award recipients should use the guidance for road signs disseminated by FHWA division offices.

- (8) Safety concerns should be taken into consideration in the placement of signs, so as not to obscure traffic control signs, for example, or create a hazard.
- (9) Grantees may use logos on paper documents and websites related to DOT-funded projects—for example, bid documents and website postings of contract awards.
- (10) The cost of producing and displaying the logos is an eligible project administration cost. However, costs associated with signage should be reasonable and limited. Signs should not be produced or displayed if doing so results in an unreasonable cost or expense.

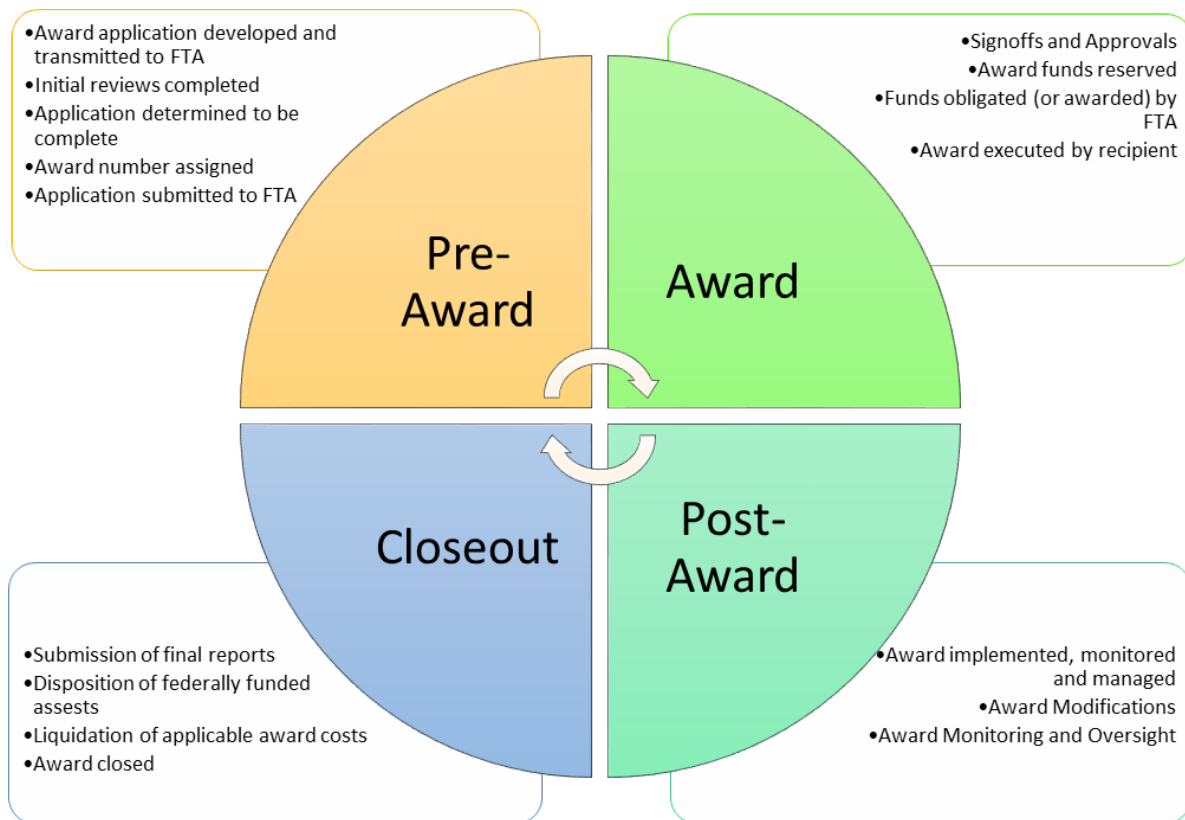
CHAPTER III:

AWARD DEVELOPMENT AND ADMINISTRATION

1. **OVERVIEW.** This chapter emphasizes the requirements associated with administering and managing a grant or cooperative agreement (Award) made by FTA. Project management and asset management requirements are described in Chapter IV.

In order to better understand the sequence of actions and the related administrative requirements, the life cycle leading to an award is outlined in broad terms, with the pre-award, award, post-award, and closeout phases separated.

ILLUSTRATION III-1: Award Life Cycle



During the Pre-Award phase, FTA performs various actions, including soliciting applications (normally through a Notice of Funding Opportunity (NOFO) or apportioning formula funding), reviewing and selecting successful proposals, as well as creating administrative and fiscal accounts, such as assigning the Federal Award Identification Number (FAIN), other reference numbers, and reserving Federal assistance. The applicant is responsible for drafting a proposal in response to the requirements of the NOFO (if applicable), preparing related documents, and submitting the application in TrAMS. The Pre-Award phase ends and the Award phase begins when FTA and the applicant execute the assistance agreement and FTA thereby awards Federal assistance for the project and related activities to be

supported through the award of the grant or cooperative agreement, as described in the application. The recipient then executes the Award.

Once the Award is executed, the applicant becomes the recipient, and the post-award phase begins. During this phase, the recipient implements each project and related activities supported under its award; administers its award based on the terms and conditions identified in the grant or cooperative agreement for the Award; works with FTA to complete the Award within its award budget; and schedules and submits appropriate reports. FTA is responsible for monitoring the Award and assisting in the effective management of the terms of the accompanying grant or cooperative agreement, including reviewing required reports and award modification requests.

Once the period of performance, as referenced in the Award, has ended, the closeout of the Award can begin. The Award is considered closed when the recipient has completed and submitted the documents required for closeout in TrAMS and FTA has accepted these documents. These documents and reports include the recipient's final reconciled budget, final FFR, and final MPR in TrAMS. There is a liquidation period included after the end of the period of performance to permit the recipient to submit these reports, any additional deliverables, and liquidated award expenditures. The recipient must maintain records as provided in the established retention schedule (see Section 10 of this chapter, "Retention and Access Requirements for Records").

2. PRE-AWARD PLANNING AND DEVELOPMENT.

- a. Metropolitan and Statewide Planning Requirements. A number of FTA programs require that applicants requesting assistance through those programs comply with the planning requirements of 49 U.S.C. 5303, 5304, and 5306. Please refer to each program's respective circular and FTA Circular 8100.1D, "Program Guidance for Metropolitan Planning and State Planning and Research Program Grants," for the applicability of planning requirements to those programs. The projects proposed must be a product of the metropolitan planning process and/or the statewide and nonmetropolitan transportation planning process specified in 49 CFR Part 613 and 23 CFR Part 450. All transit projects for which Federal funds are expected to be used and that are within metropolitan planning boundaries must be included in a Metropolitan Transportation Plan (MTP) and TIP developed and approved by the MPO and the chief executive officer of a State and in a STIP that has been approved by FTA and FHWA.

Projects not within metropolitan planning boundaries are required only to be in the STIP. The grant application must identify the latest approved STIP (or amendments) containing the project, the appropriate page numbers or other identifying numbers, and a statement identifying the date that FTA and FHWA approved the STIP (or STIP amendment) that contains the proposed project within the appropriate section of TrAMS. Projects listed in the STIP and TIP must be derived from and consistent with the State's long-range plan and the MPO's MTP, respectively.

Each project in the TIP/STIP must include sufficient descriptive material to identify the project or phase of the project. In addition, each project in the TIP/STIP must indicate reasonably expected resources to carry out the project.

FTA and FHWA are responsible for issuing joint planning regulations implementing Sections 5303, 5304, and 5305. More information on the planning process can be found in:

- (1) “Statewide Transportation Planning” and “Metropolitan Transportation Planning,” 23 CFR Parts 450 and 500 and 49 CFR Part 613. The regulations outline the requirements for State Departments of Transportation (State DOTs), MPOs, and public transportation operators to conduct a continuing, comprehensive, and coordinated transportation planning and programming process in metropolitan areas and States; and
 - (2) FTA [Circular 8100.1D](#).
- b. Transportation Management Areas (TMAs). Title 49 U.S.C. 5303(k) identifies all UZAs with a population of over 200,000 individuals as TMAs. The Secretary of Transportation shall designate any additional area as a TMA on the request of the governor and the MPO designated for the area.

Joint FTA/FHWA transportation planning regulations contained in 23 CFR Part 450 include guidelines for setting the metropolitan planning area (MPA) boundaries of MPOs, including those that are in or comprise TMAs. In some cases, the MPO-established MPA boundaries for MPOs that are in or comprise TMAs may also include one or more UZAs with populations under 200,000. The governor of a State may allocate formula fund apportionments to small UZAs located within or designated as TMAs that are different from the allocations FTA publishes.

- c. Performance-Based Planning. Title 49 U.S.C. 5303 and 5304 require a performance-based approach to the metropolitan and statewide transportation planning process. The performance management approach presents a transparent, accountable decision-making process for MPOs, States, and providers of public transportation to identify multimodal capital investments and project priorities as described below.
- (1) MPOs and States must develop their long-range transportation plans and TIPs through a performance-driven, outcome-based approach to planning for the metropolitan and nonmetropolitan areas of the State.
 - (2) The metropolitan and statewide transportation planning process should provide for the establishment and use of a performance-based approach to transportation decision making to support the national goals described in 23 U.S.C. 150(b) and the general purposes described in Section 5301. In development of their MTP and long-range statewide transportation plan, MPOs and States must include a description of the transportation system performance measures and respective

performance targets that address the performance measures established by the DOT under 23 U.S.C. 150(c).

- (3) The MPO's Transportation Plan and State's Long-Range Statewide Transportation Plan should include a System Performance Report and subsequent updates evaluating the condition and performance of the transportation system with respect to the established performance targets.
 - (4) The MPO's TIP and State's STIP must demonstrate the linkage between investment priorities and the performance targets by including a discussion of the anticipated effect of the STIP/TIP toward achieving the performance targets established in the transportation plan.
 - (5) FTA and FHWA jointly administer planning regulations implementing Sections 5303 and 5304 that address performance-based planning. More information on the planning process can be found in "Statewide Transportation Planning" and "Metropolitan Transportation Planning," 23 CFR Parts 450 and 500 and 49 CFR Part 613. The regulations outline the requirements for State DOTs, MPOs, and public transportation operators to conduct a continuing, comprehensive, and coordinated transportation planning and programming process in metropolitan areas and States.
- d. Role of Designated Recipient and MPO in Allocating Program Funds. The State or Designated Recipient is the entity responsible for "receiving and allocating" the amounts made available by Congress and apportioned by FTA to the authorized programs. Pursuant to 49 U.S.C. 5303, an MPO, which in some cases may also serve as the Designated Recipient, is the forum for cooperative decision making to carry out the transportation planning process.

While the MPO develops and adopts the TIP, the Designated Recipient, who may in some cases also be the MPO, has the primary responsibility to develop the POP. In the case of multiple Designated Recipients or multiple MPOs, the Designated Recipient or Designated Recipients must work with the MPO to ensure that the POP requirements are met by inclusion of all projects in the TIP or TIPs. The MPO and the Designated Recipient have to work cooperatively to develop the TIP and other appropriate planning tools.

- e. Multiple Designated Recipients in Large UZAs. In those UZAs with more than one Designated Recipient, FTA expects local officials, operating in consultation with the MPO, to work together to determine the allocation of funds. The Designated Recipients and the applicable MPO determine the subarea allocation fairly and rationally through a process based on regional priorities. A subarea allocation that is based on predetermined fixed percentages, for example, may not adequately represent the needs of transit systems in the UZA (23 CFR 450.326(m)).

Designated Recipients must provide documentation to FTA showing how the allocation of the award funds will be split among the Designated Recipients. FTA may request a written agreement signed by a representative of each Designated Recipient involved.

To assist in making such subarea allocations, any UZA may request from FTA the disaggregate data used in apportioning the total UZA's share.

- f. Environmental Mitigation. All projects seeking FTA assistance require compliance with NEPA implementing regulations, 40 CFR Parts 1500-1508, 23 CFR Part 771, and other environmental laws, regulations, and Executive Orders, such as regulations pertaining to Section 106 of the National Historic Preservation Act, the Clean Water Act, and the Endangered Species Act. The process for preparing an EIS, EA, and CE under NEPA and completing any environmental permit, approval, review, or study required for a project under Federal laws, regulations, and orders is commonly referred to as the "environmental review process" at 23 U.S.C. 139. FTA's policy is "that measures necessary to mitigate adverse impacts be incorporated into the proposed actions." Measures necessary to mitigate adverse impacts are eligible for Federal assistance when FTA determines that: (1) the impacts for which the mitigation is proposed actually result from the project under review and (2) the proposed mitigation represents a reasonable public expenditure after considering the impacts of the action and the benefits of the proposed mitigation measures located at 23 CFR 771.105(e).

FTA considers mitigation measures for all adverse environmental and community impacts under NEPA and for specific resources under "Section 4(f)" Requirements (49 U.S.C. 303); the Endangered Species Act; Section 404 of the Clean Water Act; the project-level conformity requirements of the CAA; and other Federal environmental laws and Executive Orders that may apply to the particular project. Mitigation measures are developed jointly by FTA and the recipient during the environmental review process to address Federal environmental requirements as well as State and local requirements. It is the responsibility of the recipient, in cooperation with FTA, to implement those mitigation measures stated as commitments in the environmental decision document (i.e., the CE, the FONSI, a combined FEIS/ROD, or ROD).

When FTA makes an award, the mitigation measures are incorporated by reference in the grant or cooperative agreement for the implementation of the project, and the commitment to the mitigation measure becomes a condition of the award that cannot be removed or substantively changed without FTA's written approval. FTA regional staff monitors the implementation of the identified mitigation commitments through periodic reporting (e.g., quarterly reports), reviews of design, construction inspections, and special meetings, as necessary. The recipient has the responsibility to apprise FTA at the earliest possible time of any problems in implementing the adopted measures and any need for changes.

Information about FTA's environmental review process and related SOPs is available on FTA's [web page](#) and by contacting the FTA Regional Offices.

- g. Project Management Plan. A written Project Management Plan (PMP) is required by 49 U.S.C. 5327 for all major capital projects (see “capital projects” definition in Chapter I). Recipients are required to develop and implement a PMP for all major capital projects funded by FTA as part of the PMO program. This plan covers a recipient’s detailed project management strategy to control the project scope of work, budget, schedule, and quality (49 CFR Part 633). Requirements for the PMP can be found in the latest version of PMO regulations on [FTA’s website](#).

As a general rule, if the project meets the definition of major capital project, the recipient must submit the PMP during the application review process. FTA may also require a PMP to be submitted for other awards as deemed appropriate. If FTA determines the project is a major capital project after the Award has been approved or if FTA determines that a PMP must be submitted for other projects after the Award has been approved, FTA will inform the recipient of its determination and will require submission of the plan. An approval of a PMP can be made after the Award is made.

h. Utility Relocation.

- (1) General. The construction of transit systems may require the relocation or rearrangement of privately and publicly owned utilities. These utilities include, but are not limited to, systems and physical plants for producing, transmitting, or distributing communications, electricity, gas, oil, crude oil products, water, steam, waste storm water, or other substances, publicly owned fire and police signal systems, and railroads and streets that directly or indirectly serve the public. Relocating or rearranging utilities and facilities necessary to accommodate an FTA-assisted transit project may be considered an eligible expense as part of the project. Exceptions to this include those situations where State and local law expressly prohibit the financing of such by the public entity.
- (2) Eligibility for FTA Assistance. To qualify for FTA assistance, the recipient must execute an agreement for relocating or rearranging facilities with the entity responsible for the facilities in which the agreement prescribes the procedures for the relocation or rearrangement of the facilities for the purpose of accommodating the construction of the federally assisted project. Prior FTA approval is not required in reaching a utility relocation agreement. FTA reviews “critical third-party agreements,” including utility relocation agreements determined to be “critical third-party agreements,” for technical and legal sufficiency. All utility relocation costs must otherwise be eligible for FTA assistance, for example, by complying with Buy America.
- (3) Utility Relocation Agreement. When the work is to be performed by the public utility’s forces, no profit is allowed, and reimbursement is limited to the amount necessary to relocate or rearrange the facilities to affect a condition equal to the existing utility facilities. Generally, reimbursement will not provide for greater capacity, capability, durability, efficiency or function, or other betterments or

enhancements to the existing utility system, except for meeting current State and local codes. The indirect costs of governmental entities incurred under a utility relocation agreement are eligible for FTA reimbursement only in accordance with an approved CAP or Indirect Cost Rate Proposal (ICRP), as prescribed in 2 CFR Part 200, subpart E. (See Appendices H and I for more information on CAPs or ICRPs, respectively.)

- i. Force Account. Force account is the use of a recipient's labor force as a capital expense to carry out a capital project. Force account work may consist of design, construction, overhaul, inspection, and construction management activities, if eligible for reimbursement as a capital expense under the Award. Note that a Force Account plan is prepared at the recipient or local project level and does not necessarily correspond to only one specific award or project in TrAMS. Therefore, a Force Account plan may cover multiple awards. Because of the potential crossover into additional financial assistance awards, recipients may need to receive approval for a Force Account plan prior to incurring costs or reference a plan that is already approved and in place before incurring costs under a different award.

Force account work does not include award or project administration activities that are otherwise direct project costs. Force account also does not include preventive maintenance or other items under the expanded definition of capital (e.g., security drills, mobility management) that are traditionally not a capital expense. Incremental labor costs for flagging protection, service diversions, or other activities under FTA's expanded definition of capital also do not need to be included. Based on the amount of force account work, recipients may be required to submit a justification to use force account and/or the Force Account plan for FTA approval. The following are the thresholds for plans:

- (1) Force account work less than \$1,000,000 can be performed without justification or a Force Account plan.
 - (2) Force account work \$1,000,000 or greater but less than \$10,000,000 requires submission of a force account justification prior to award. A recipient must maintain a Force Account plan in its files prior to incurring costs.
 - (3) Force account work at \$10,000,000 or greater requires submission of a force account justification, as well as prior FTA approval of the Force Account plan.
- j. Justification of Force Account Work. A justification to undertake force account work is required to use the recipient's own labor force greater than \$1,000,000 on a project. One of four conditions may warrant the use of force account work. These are: (1) cost savings; (2) exclusive expertise; (3) safety and efficiency of operations; or (4) union agreement. The justification must address at least one of the four criteria.
 - (1) Cost Savings.

The justification documentation must include the following information to be justified based on cost savings:

- (a) A comparison of the present value of the estimated cash drawdown for both the force account and private sector contract options;
 - (b) The current interest rate paid on one-year Treasury Bills as the discount rate;
 - (c) The following costs: preparing documents, administration, inspection, labor, materials, specialized equipment, and overhead;
 - (d) Profit for private contract;
 - (e) Unit prices for labor; materials and equipment; overhead; and profit, if applicable for private contract;
 - (f) Certification that costs presented are fair and reasonable; and
 - (g) The present value calculation based on the midpoint of construction, and if the time for completion of the work differs for force account and a private sector contract, include an estimate of the cost of not using the completed improvement in the present worth calculation. For example, if the work is to replace leased facilities, the cost of continuing the lease until the work is complete should be taken into account in the cost estimate for each option considered.
- (2) Exclusive Expertise. The justification documentation must be based on exclusive expertise and must include documentation equivalent to a sole source justification stating the basis for a determination that no private-sector contractor has the expertise to perform the work.
- (3) Safety and Efficiency of Operations. The justification documentation must include the following information to be justified based on safety and efficiency of operations:
- (a) Safety considerations, which may be addressed by a statement of the transit operator's safety officer that performing the work with private-sector contractors would have an adverse effect on employee or public safety;
 - (b) Efficiency concerns, which may be addressed by a present value calculation, including an estimate of the value of lost transit operation efficiency; and
 - (c) In emergency situations where the recipient uses its own workforce, the recipient may submit a waiver to the Emergency Relief docket.
- (4) Union Agreement. The justification documentation must include the information justified on the basis of a union agreement and must include relevant citations from

labor union agreements and an analysis of how the agreements pertain to the work in question.

- k. Force Account Plans. Prior to incurring costs, a recipient must develop a Force Account plan if it intends to use its own labor force in amounts greater than \$1,000,000 on a project and retain the plan in its files. If the amount is \$10,000,000 or greater, the Force Account plan must be submitted to FTA for approval, including the following information and must be approved by FTA prior to incurring force account costs:

- (1) A description of the scope of work;
- (2) A copy of the construction plans and specifications, which includes a detailed estimate of costs and a detailed schedule and budget; and
- (3) A copy of the proposed agreement when another public agency is involved.

Special care must be taken to ensure that requirements of 2 CFR Part 200 are followed, especially for charging expendable property to force account projects and making sure that allowable costs are assigned to the correct activity codes.

Most general-purpose equipment and tools can be used in force account work and thereby benefit more than one project. Therefore, the cost of these items normally should not be treated as a direct charge to the project. However, an appropriate use or depreciation charge is an allowable direct cost if otherwise provided for in the award budget. Unusual circumstances may call for the purchase of specialized equipment that is unique to the force account work that is being performed. If such equipment is required, prior FTA approval must be obtained. The usual FTA equipment disposition requirements apply.

The progress and status of force account activities should be separately discussed in milestone/project reports, with emphasis on schedule and budget.

- l. Value Engineering. Value Engineering (VE) is the systematic, multidisciplined approach designed to optimize the value of each dollar spent. To accomplish this goal, a team of architects/engineers identifies, analyzes, and establishes a value for a function of an item or system. The objective of VE is to satisfy the required function at the lowest total costs (capital, operating, and maintenance) over the life of a project consistent with the requirements of performance, reliability, maintainability, safety, and aesthetics.

- (1) Applicability.
 - (a) Major Capital Projects. VE must be used on major capital projects. A major capital project is usually identified during the award application process. (See Chapter I, Section 4.a, "Definitions," for a definition of major capital project.)

- (b) Non-Major Capital Projects. Recipients are encouraged to conduct VE on all construction projects, including, but not limited to, bus maintenance and storage facilities, intermodal facilities, transfer facilities, railcar acquisition and rehabilitation, and offices, with the level of VE study to be commensurate with the size of the project.
- (2) Timing. VE on a project should be performed early in the design process before major decisions have been completely incorporated into the design, at or near the end of project development. Additional VE may be performed early in the engineering phase. A VE study may not be needed for some project delivery methods such as design-build if the bidders are required to provide the VE options (alternate concepts) as part of their proposals. Some large or complex projects may need to conduct two VE studies.
- m. Constructability and Design Peer Reviews. Peer review is a process used by the recipient in the planning, design, and implementation of capital projects. The concept of peer review can be applied to any problem or situation where a second opinion can be useful to decision makers. FTA encourages the recipient to confer with other transit operations and maintenance experts in order to benefit from their experience. These reviews have been used to review rail extensions, New Starts projects, and transit facilities. These reviews have provided an in-depth critique of designs at the preliminary and final engineering stages. They have provided operations and maintenance information with respect to a variety of subsystems and have validated the process used by a recipient's planning staff to locate bus facilities.

The purpose of constructability and design peer reviews is to improve the performance of the process or product being reviewed and optimize the design and subsequent construction of the project. The review should be able to answer such questions as: "Can this be constructed?" "Is there a better process that could be employed to achieve the desired results?" and "Is the product safe?" Although the recipient is encouraged to conduct peer reviews in conjunction with any capital project, FTA may elect to require such review as a part of the Pre-Award phase of the grant life cycle on a case-by-case basis. The peer review process followed should be fully documented by the recipient through its document control process.

- n. Crime Prevention and Security Review. Recipients are encouraged to develop, refine, and conduct training on security and emergency response plans. Emergency response drills should be conducted with public transportation agencies and be fully coordinated with local first response agencies. Other security training should be provided for public transportation employees that will serve to prepare an agency better during an emergency including such things as bomb threats, detection of chemical and biological agents, and other disruptive incidents. Recipients are encouraged to perform crime prevention reviews during the design phase of all federally assisted transit facilities with particular focus on the incorporation and use of crime prevention through environmental design techniques.

This review should serve to improve and increase the safety and security of an existing or planned transit system or facility for both transit patrons and transit employees. The level of review should be commensurate with the project size and scope of work. Local crime prevention professionals should be included in the review process. Review documentation should remain on file by the recipient and be available for FTA review upon request. Safety and security publications and training information can be found on the [Transit Safety & Oversight website](#).

- o. Concurrent Non-Project Activities. Concurrent non-project activities, also known as betterments, are improvements to the transit project within an award sought by the recipient that are not part of the base functioning of the Federal transit award. They are not integral to the base functioning of the award and are viewed as enhancements or upgrades to a level beyond what is normally required for the base functioning of the transit award.

The concurrent non-project activities are performed in conjunction with federally assisted work under the award to afford the opportunity to have the non-project work performed economically and efficiently in conjunction with federally assisted project work. Examples of betterments include increased utility pipe sizes, road widening projects for local reasons, environmental mitigation measures not identified in an environmental document, increased landscaping, signal upgrades beyond the base requirements of the transit project, etc. Costs for concurrent non-project activities are to be paid for by the recipient.

These costs must be accounted for separately and reported to FTA separately from the reporting requirements of the award. Related but different from concurrent non-project activities are activities involving an overbuild situation. Guidance should be obtained from the FTA Regional Office related to any overbuild situation to determine the Federal eligibility of such an activity. An example of an overbuild situation is over-designing the foundation and base stories of a multistory facility in order to accommodate better future vertical expansion of the project. Outside of an eligible joint development project as set forth in 49 U.S.C. 5302(4)(G) and FTA C 7050.1C, "Guidance on Joint Development," such an overbuild is generally not an allowable cost.

- p. Facility and Vehicle-Related Equipment Projects to Comply with the Americans with Disabilities Act (ADA) of 1990. The Federal share for project costs for acquiring vehicle-related equipment or facilities for purposes of complying or maintaining compliance with the ADA is 90 percent. Applications to FTA requesting a 90 percent Federal share for purchasing vehicle-related equipment or facilities for ADA compliance must separately account for the project elements that provide for compliance with the requirements. The application must also account for the other vehicle-related equipment or facility project elements that the recipient does not directly attribute to ADA compliance. Examples of vehicle-related equipment or facilities projects for compliance with ADA include, but are not limited to:

-
- (1) Components that allow for level boarding of all passengers on vehicles;
 - (2) Lifts, ramps, and other level-change mechanisms attached to or within the vehicle or at a station, either attached or mobile;
 - (3) Securement devices (non-rail vehicles only). Note: Securement devices are not required for rail vehicles;
 - (4) Seats that fold to create wheelchair space. Note: Folding seats are permitted in the securement area; however, the securement area may be devoid of seating. Per 49 CFR 38.23(d)(2), “Securement areas may have fold-down seats to accommodate other passengers when a wheelchair or mobility aid user is not occupying the area, provided the seats, when folded up, do not obstruct the clear floor space required;”
 - (5) Visual monitoring systems at doors and within seating areas to observe when assistance is requested or necessary for the use of securement systems, ramps, and lifts per 49 CFR 37.165(f);
 - (6) Call systems for alerting drivers and other employees to provide assistance;
 - (7) Features specific to accessibility (signs, barriers between cars, handrails);
 - (8) Other vehicle-related equipment specifically required by 49 CFR Part 38;
 - (9) Passenger elevators on a path of travel within a station;
 - (10) Platform edge and pathway markings;
 - (11) Accessible passenger ticketing elements;
 - (12) Accessible doors and door systems;
 - (13) Audible communication systems;
 - (14) Variable passenger information displays;
 - (15) Fixed passenger signage with accessible features;
 - (16) Passenger restroom features that are specific to accessibility; and
 - (17) ADA-related features of other facilities, including administrative facilities and vehicle maintenance facilities.
- q. Intelligent Transportation System (ITS). Recipients that have transportation projects that include ITS must be participants in a regional or statewide ITS architecture process and their ITS projects must be included in the locally approved Regional ITS Architecture

Plan. Recipients are required to use a systems engineering process for the development of ITS projects.

The project level requirements include undergoing a systems engineering analysis for the ITS and communications components of the project or award and developing ITS project architectures for all major ITS projects (prior to the adoption of the regional ITS architecture). The ITS components and FTA National ITS Architecture Consistency Policy for Transit Projects conformity status also should be included in applications for Federal assistance within TrAMS. The policy can be found on the [National ITS Architecture Consistency Policy for Transit Projects web page](#).

In FTA's policy, systems engineering means a "structured process for arriving at a final design of a system," and is a method for identifying needs and developing/procuring the best possible configuration for a particular situation. The policy requires that the systems engineering analysis includes how the project fits into the regional (or national) ITS Architecture, how the system will be implemented and operated (roles, requirements), and analyses of alternatives for system configuration, financing, and procurement. Applicable (DOT-developed and supported) ITS standards also must be identified.

Prior to the adoption of a regional ITS Architecture, all awards with major ITS projects must also include the development of a project level architecture. Major ITS projects are any projects that implement part of a regional ITS initiative that is multijurisdictional, multimodal, or otherwise affects regional integration of ITS systems. Examples include regional traveler information, regional electronic payment, new automatic vehicle locating systems that may set the standard for the region, or transit signal priority systems. A project architecture is similar to a regional ITS Architecture but focuses on the project and its implementation. Again, all agreements that are needed to implement and operate the ITS systems must be included as part of the project architecture.

3. PRE-AWARD AND AWARD PREREQUISITES.

- a. Grants.gov. FTA posts all competitive Federal assistance opportunities on [Grants.gov](#). Grants.gov is the federally administered website for information on all competitive Federal financial assistance opportunities.
- b. System for Award Management (SAM) Requirements. Any organization applying for financial assistance from the Federal government must register in SAM and keep its registration current until it submits its Final Financial Report pursuant to the award agreement from FTA or receives its final payment under the project, whichever is later. The recipient must review and update its information in SAM annually after the initial registration.
- c. TrAMS Access. To access TrAMS, a new applicant must complete the user access request form for each user and submit that form to the appropriate FTA Regional Office. The [website for TrAMS](#) provides information about how to apply for a grant. Because

applications are awarded in TrAMS and post-award reports and administration is essential, recipients must maintain compliance with application, reporting, administrative and closeout requirements.

- d. Certifications and Assurances. FTA recipients must annually certify that they are in compliance with certain Federal transit laws as well as certain Federal cross-cutting requirements. FTA advises recipients to review the annual list of Certifications and Assurances, located on [FTA's website](#). Recipients must certify, as discussed below.
- (1) General Capacities. A recipient must certify that it has, or will have, the legal, financial, and technical capacity to carry out the program. New recipients must submit documentation of capacity prior to receiving an award.
- (a) Legal Capacity. FTA generally relies on the grant applicant's certification that it has or will have the legal capacity to carry out the project, under some Federal assistance programs. Program circulars and NOFOs provide eligibility information. Consult the appropriate program circular or NOFO for specific requirements or documentation.
- (b) Financial Capacity. Financial capacity is defined by two basic concepts: (1) the general financial condition of the recipient to meet FTA funds with local matching funds; and (2) the capability of the recipient to manage the funds associated with projects included in the latest approved award budget. To determine financial capacity, FTA generally relies on the applicant's prior experience. A first-time applicant must demonstrate that it has or will have the financial capacity to carry out projects or programs of projects in accordance with all applicable laws and regulations using sound financial (accounting) management practices. An applicant for Federal financial assistance must be able to meet any applicable match or cost sharing requirements and manage those funds in compliance with GAAP standards. The source of non-Federal share must be identified. In general, FTA requires the applicant to provide assurances that adequate non-Federal funds will be available at the time Federal funds are drawn down. FTA may approve deferred non-Federal share for formula programs or permit-matching requirements to be met through various activities included in the Award's scope of work. Financial capacity is also reviewed by FTA's Financial Management Oversight (FMO) contractors as deemed necessary. As appropriate, in considering the financial capacity of an applicant, FTA takes into account the fact that a financial analysis must be undertaken, and a financial plan must be developed before programming a project into the TIP. That analysis, plan, and subsequent inclusion of the project in the TIP reflect the two aspects FTA considers in determining the applicant's financial capacity: (1) the financial plan must demonstrate that TIP projects can be carried out while the existing transportation system is being adequately operated and maintained (financial condition); and (2) only projects for which

funds can reasonably be expected to be available may be included in the TIP (financial capability).

- (c) Technical Capacity. Technical capacity involves the capability of the applicant to properly carry out and manage Federal awards. FTA generally relies on an applicant's certification and FTA's prior experience with the applicant. A first-time applicant must demonstrate that it can carry out the project described in the application in accordance with the requirements of the Federal assistance program, the agreement, and with all applicable laws and regulations, using sound management practices. An applicant's inability to comply with application requirements, such as registration in SAM or application documentation, could be an indication of potential problems regarding Federal and program requirements. In addition, FTA may consult governmentwide resources or publicly available information to evaluate a recipient's technical capacity.
- (2) Standard Assurances. As required by statutes, regulations, or FTA's Master Agreement, a recipient must certify that it will comply with Federal governmentwide and USDOT-specific financial assistance requirements. The requirements outlined in Category 1 of the Certifications and Assurances, required for all applicants, includes the recipient's certification of compliance with various Federal requirements and legislation ranging from civil rights and environmental requirements to suspension and debarment. The following items are highlighted here because of the applicability to other chapters in this circular.
 - (a) Real Property. This certification has been modified in places to include analogous certifications required by USDOT statutes or regulations and includes requirements included on OMB's Standard Form 424D "Assurances—Construction Programs" and specifically applies to federally assisted projects for construction.
 - (b) Procurement. Under 2 CFR 200.325, an applicant may self-certify that its procurement system complies with Federal requirements, in lieu of submitting to certain pre-procurement reviews. The applicant certifies that its procurement system complies with the Department of Transportation (DOT) regulations included in 2 CFR Part 1201, which incorporates by reference 2 CFR Part 200, particularly 2 CFR 200.317–200.327 "Procurement Standards; Federal laws, regulations, and requirements applicable to FTA procurements;" and FTA Circular 4220.1F and other applicable Federal guidance.
 - (3) Certification Procedures. Before FTA may award Federal funding, the applicant must provide all Certifications and Assurances required by Federal laws and regulations to FTA. Around the same time as FTA publishes the annual apportionment of funds, FTA publishes the certifications, highlighting any changes or additions from the previous year.

-
- (4) Legally Sufficient Execution. Generally, legally sufficient execution of the Certifications and Assurances is performed by both the recipient's authorized representative and legal counsel.
- (a) When execution is performed by the authorized representative of the recipient and the recipient's attorney, they must either do so by (1) selecting the "select all" field that signifies the grant applicant will comply with all categories of Certifications and Assurances that apply to it or its projects; or (2) completing the required certifications in TrAMS by:
- i Selecting electronically each assurance or certification category that will apply to the applicant's grants for the fiscal year; and
 - ii Attesting to the Certifications and Assurances electronically with a personal identification number (PIN).

FTA will not accept the attorney's affirmation from a previous year. FTA recommends that applicants complete the required certifications proactively once FTA releases them to prevent processing delays for subsequent award applications. Annual Certifications and Assurances should be certified prior to the submission of new applications or amendments. Absent information to the contrary, Certifications and Assurances, which remain valid for one year or until FTA publishes the next version, apply to all open grants. FTA encourages grant applicants and recipients to contact the appropriate FTA Regional Office for more information about these requirements. Some requirements call for extensive planning that the applicant should address before submitting a grant application.

4. APPLICATION PROCESS. This circular provides overall guidance on award development, including the application process. FTA's program-specific circulars provide additional information where necessary to understand the application process. Further information regarding competitive programs is provided in NOFO. Refer to this circular, the applicable program circular, NOFO, the [TrAMS User Guide](#), and supplemental documents, where applicable, for instructions on completing an award application. For a full listing of FTA program circulars, as of the date of publication of this circular, visit the [FTA Final Circulars web page](#). To receive copies of circulars in special readability formats, please contact the FTA Office of Management Planning, TAD-10, 1200 New Jersey Ave., SE, E44-404, East Building, Washington, DC 20590.

FTA uses TrAMS to provide a streamlined electronic interface between recipients and FTA that allows complete electronic application submission, review, approval, and management of all awards and serves as the FTA system of record. The applicant must use TrAMS to apply for any financial assistance from FTA (including formula or competitive funding), manage its grant or cooperative agreement from award to closeout, file the required financial status reports and MPRs, upload applicable civil rights programs, and submit its annual

Certifications and Assurances. Please contact your FTA point of contact for information regarding TrAMS. Additional information is available in Appendix B of this circular as well as the applicable program circulars.

There are specific requirements outlined in the program circulars and NOFOs. Some specific information is required in TrAMS during application development. Each grant or cooperative agreement includes, at a minimum:

- Description of the overall award scope of work summarizing each project and related activities that will receive Federal assistance under the award as stated in the award budget;
- Separate narrative, budgets, and schedules for each activity supported under the Award;
- The award budget, consisting of all the costs associated with the scope of work encompassed in the award;
- Any special conditions within the agreement or incorporated by reference and made part of the agreement, such as special reporting and DOL requirements;
- The period of performance of the entire award delineated by the start and end dates of the award during which time projects and related activities are expected to be completed and the Federal assistance expended;
- The identification of whether pre-award authority has been exercised for the award and submission of an initial FFR to document associated pre-award expenses, if pre-award authority was exercised, and
- Any other documents attached to the application, incorporated by reference and made part of each grant or cooperative agreement that apply to the award, including the Master Agreement, the recipient's Certifications and Assurances submitted each fiscal year, and other relevant documents.

TrAMS incorporates several requirements outlined in 2 CFR Part 200, OMB memos, and FTA policies in its workflows and required actions. Recipients must meet application and TrAMS requirements to comply with the incorporated items. While the start date of the period of performance is automatically generated by TrAMS based on the date the Award is issued, the recipient must create a reasonable end date to complete the scope of work. In addition, FTA uses the ALI Tree to build its budgets in TrAMS and awards at the Scope Code level within this construct. Recipients should consult the ALI Tree and related program circulars for specific application requirements prior to initiating an application in TrAMS. For example, all rolling stock ALIs must include a milestone for a contract award and complying with this requirement necessitates that the ALI be constructed with the required reporting elements.

NOTE: Once FTA obligates Federal assistance through the Award, the applicant must execute the Award in TrAMS within 90 days; otherwise, FTA may withdraw its Award. Once the Award is executed, it is considered "active," and the recipient must comply with post-award administration requirements.

5. PRE-AWARD AUTHORITY.

- a. General. Pre-award authority allows recipients to incur certain project costs before FTA issues an award. It also allows recipients to retain reimbursement eligibility after award approval. The recipient assumes all risk and is responsible for ensuring that all conditions are met to retain eligibility, including procurement requirements and cost allowability. Pre-award spending authority permits a recipient to incur costs on an eligible project without prejudice to possible future Federal participation in the cost of the project or projects. FTA's policy for pre-award authority and list of permissible activities and conditions for grant programs are outlined annually in FTA's Annual Apportionment Notice. FTA may authorize pre-award authority through a NOFO or when competitive awards are publicly announced. When pre-award authority is not generally provided, it must be approved through a Letter of No Prejudice (LONP) provided by FTA to the recipient.

Recipients may incur costs for credit or reimbursement under pre-award authority if certain conditions are met for activities, such as land acquisition, demolition, or construction after the date of pre-award authority. Because some project implementation activities may not be initiated prior to NEPA (42 U.S.C. 4321) completion, FTA generally will not issue an LONP for such activities until the NEPA process has been completed with a combined FEIS/ROD, a FEIS and ROD, a FONSI, or a CE determination. Following authorization of formula funds or appropriation and publication of discretionary projects, pre-award authority for other capital projects (including property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials) is triggered by completion of the environmental review process with FTA's signing of an environmental ROD, a FONSI, or a determination that the project is categorically excluded. The project must also be included in the TIP and STIP prior to the exercise of pre-award authority.

The Federal amount of any future FTA assistance awarded to the recipient for the project will be determined on the basis of the overall cost scope of activities and the prevailing statutory provisions and congressional direction with respect to the Federal / local match ratio at the time the funds are obligated. FTA strongly encourages all recipients to consult with the appropriate FTA Regional Office regarding the eligibility of the project for future FTA funds and the applicability of the conditions and Federal requirements. If the application indicates that the recipient is exercising pre-award authority, when a grant or cooperative agreement for the project is subsequently awarded, TrAMS generates the initial FFR to capture the pre-award costs, which must be completed.

- b. Conditions. In general, all Federal grant requirements must be met at the appropriate time for the project to remain eligible for Federal funding. Specifically:
- (1) Pre-award authority is not a legal or implied commitment that the projects will be approved for FTA assistance or that FTA will obligate Federal funds. Furthermore,

it is not a legal or an implied commitment that all items undertaken by the applicant will be eligible for inclusion in the projects;

- (2) All FTA statutory, procedural, and contractual requirements must be met; and
- (3) The recipient must take no action that prejudices the legal and administrative findings that FTA must make in order to approve a project.

Costs incurred by the recipient after the date of the pre-award authority will be eligible for credit toward non-Federal match or reimbursement if FTA later makes a grant for the projects or project amendments. Costs incurred by the recipient before the date of the pre-award authority will not be eligible for credit toward non-Federal match or reimbursement. Furthermore, activities such as land acquisition, demolition, or construction before the date of pre-award authority for those activities (i.e., the completion of the NEPA process) would compromise FTA's ability to comply with Federal environmental laws and may render the project ineligible for FTA funding.

For funds to which the pre-award authority applies, the authority expires when the funds remain unobligated or lapse at the end of the fiscal year.

- c. Letter of No Prejudice (LONP). For a project not covered by the automatic pre-award authority, including Capital Investment Program New Starts projects not yet under a Full Funding Grant Agreement or Project Construction Grant Agreement, a grant applicant that seeks to proceed with a transit project in advance of the availability of Federal funds may request that FTA issue a LONP for that project. An LONP permits a grant applicant to incur costs on a project using non-Federal resources with the understanding that the costs incurred after the LONP is issued may be reimbursable as eligible expenses or eligible for credit toward local matching share if the project should be approved for funding by FTA at a later date. Each LONP has an expiration date, which is the date beyond which funding cannot be requested retroactively for the project. The period covered by an LONP generally does not exceed five years. FTA may choose to extend this period or issue a subsequent LONP for the project. The conditions under which LONP authority may be used are the same as those for pre-award authority as described in the paragraphs above and an LONP may be subject to further conditions that FTA may specify in the LONP. Receipt of Federal funding under any program is not implied or guaranteed by an LONP.

6. POST-AWARD ADMINISTRATION.

- a. Reporting Requirements. When the Award is active, the recipient must comply with post-award reporting requirements. FTA's reporting requirements are based on risk factors including the recipient's size, past performance, and experience with the Award's scope of work and the type or amount of Federal assistance. These are typically identified by program and may be included in Federal Register notices, apportionment notices, and program circulars. Outlined below are general post-award reporting

requirements. There may be specific programs or additional reporting requirements announced through the Federal Register. Individual awards may include special reporting requirements.

Please contact the FTA point of contact with questions regarding the applicability of the following reporting requirements.

- b. General Monitoring and Reporting Purpose. The FTA post-award monitoring considers whether the following factors are progressing as outlined in the grant or cooperative agreement:
- (1) The purposes of the Award are being achieved;
 - (2) The Award is progressing as scheduled and within its award budget;
 - (3) The recipient is demonstrating competence and control in implementing the scope of work encompassed by the Award; and
 - (4) The Award meets all program requirements, and all performance measures are being captured.

These may be measured formally through required reports, which are part of FTA's general monitoring of activities under the Award to ensure proper recipient stewardship of Federal assistance and compliance with applicable laws, regulations, and requirements. It should be noted that compliance with the award requirements, terms and conditions, and general monitoring also includes planning and equipment reporting that may address multiple local activities, projects, and awards. Sometimes reports are submitted formally in TrAMS at the award or recipient level or captured through reporting systems outside of TrAMS. Reference Chapter IV and Appendix C-2 for additional information. FTA's monitoring continues throughout the period of performance. Should a problem develop, FTA may become involved to assist in its resolution. FTA also must be able to report on program results, industry trends, and its own oversight responsibilities. Recipients submit the information FTA needs for program forecasting and management through the FFR and narrative MPR detailing progress, significant events, relevant activities, and any changes to or variances in the award budget or schedule.

With respect to the level of detail required for these reports, FTA treats all approved ALIs alike. Thus, an activity contained under the Award must be presented in the reports in sufficient detail that important information is not lost in the aggregation. For example, the number of full-size buses supported under the Award must not be reported together with vans under the Scope Code for "rolling stock," but instead should be reported separately under the applicable ALI. FTA staff is available to assist recipients to determine and agree on the appropriate level of reporting detail and formats.

Recipients must submit FFRs and MPRs through TrAMS. Recipients may attach supplemental information accompanying the FFRs and MPRs; however, attachments may not be submitted in lieu of completing and submitting the FFR and MPR via TrAMS.

FTA may withhold payment for failure to submit either FFRs or MPRs in a timely manner. In limited instances, FTA may grant extensions of report due dates for good cause.

Recipients that report annually must report by October 30. FTA, or the recipient, may request to make modifications to a submitted quarterly or annual report; however, any corrections must be completed and resubmitted within 60 days after the original due date. Recipients that report annually may be granted an additional 60 days for a justified reason (following the same format for recipients that report quarterly).

Please contact your FTA Regional or Metropolitan Office for questions regarding any reporting requirements or report due dates.

- c. Reports of Significant Events. Unforeseen events that impact the schedule, cost, capacity, usefulness, or purpose of the Award, including the terms and conditions applicable to the Award, must be reported to FTA immediately and then reflected in the next MPR. Reporting a significant event must be provided in writing, though the method may be in the form of email, posted correspondence, forwarding safety or audit reports, etc. A separate special report should be submitted when problems, delays, or adverse conditions will affect the recipient's ability to achieve the objectives of the Award within the scheduled time period or award budget. The report should discuss actions taken or contemplated and any Federal assistance needed to resolve the situation. If the Award requires a change in the overall end date of the agreement, the recipient should consult the FTA Regional Office to determine if the change to the overall end date will be made through a budget revision or an amendment.

Favorable developments will enable the recipient to achieve project goals / complete project activities ahead of schedule or at lower cost.

- d. Federal Financial Report (FFR). FTA's electronic FFR is consistent with and includes information identified in OMB's Standard Form 425 (SF-425). A recipient must submit an FFR for each active award based on the reporting schedule established in TrAMS. The FFR accompanies the MPR (described below) and is used to monitor the Federal assistance awarded.

The purpose of the FFR is to provide a current, complete, and accurate financial picture of the Award. This report is submitted electronically through TrAMS. The first four items (A–D) are prepared using cash accounting. The remaining report items (E–U) must be prepared on the accrual basis of accounting; that is, income is recorded when earned

instead of when received, and expenses are recorded when incurred instead of when paid. These items, (E-U) of the FFR, may not be prepared on the cash basis of accounting, even though a recipient may keep its books on the cash basis.

Recipients must provide a narrative detailing the financial state of the award and clearly explain any anticipated cost overruns or savings identified under the award. If no financial activity occurred during the reporting period, the recipient must still file a financial report. The explanation must include a narrative to explain “no activity.” For example, if no action has occurred over subsequent reports, and milestones originally indicated progress that should have occurred, then an explanation is needed. Or, if the MPR indicates contract awards or work completed, the FFR should reflect that activity, or otherwise explain how the MPR differs from the financial activity during the reporting period. The reserved narrative or remarks sections of the reports are available to explain differences or unique issues, such as a significant unliquidated balance if there has been demonstrated progress to complete the scope of work of the award.

The following requirements pertain to each FFR:

- (1) All financial facts (e.g., expenditures and obligations) relating to the award (scope of work and supporting activities) must be included; the purpose of each financial report and applicable reporting period should be completely and clearly displayed in the reports.
- (2) Reported financial data must be accurate to the last approved award budget (this may be the initial award, or last revision to the award budget or amendment to the award) and the reporting period. The requirement for accuracy does not rule out inclusion of reasonable estimates when precise measurement is impractical, uneconomical, unnecessary, or conducive to delay. Financial data reported may reconcile data included in the prior report, and these adjustments must be explained in the explanation/remarks section of the report.
- (3) Financial reports must be based on the required supporting documentation. Documentation should be maintained in the recipient’s official financial management system, which produces information that objectively discloses financial aspects of events or transactions.
- (4) Financial data reported must be derived from the recipient’s accounting system and should be consistent with financial management requirements, such as those under 2 CFR 200.302. It should be maintained on a consistent, periodic basis with material changes in accounting policies or methods and their effect clearly explained.
- (5) Reporting terminology used in financial reports to FTA must be consistent with receipt and expense classifications included in the latest award.

-
- (6) The recipient must provide financial information related to the FFR, Federal Cash Reporting, Federal Expenditures and Recipient Share, Unliquidated Obligations, and program income. When indirect costs are charged, the recipient must include the status of expenditures when completing its FFR. If the recipient is charging indirect costs, the recipient is responsible for having an approved ICRP or CAP approved by the cognizant agency on file and uploading the documentation into their TrAMS “Recipient Profile” at the time of application and post-award if the agreement is changed. The information listed below must be provided in reports as expenses incurred on a cumulative basis.
- (a) The type of plan and rate must be consistent with the approved CAP on file, as approved by the cognizant agency, or as otherwise approved by FTA when it permits reimbursement of these expenses. The recipient should report expenses that are consistent with the rate indicated at the time of application and reflected in the FFR. See Appendix H for more detailed information on CAPs and Appendix I for more detailed information on ICRPs).
 - (b) The information to be reported is:
 - i. Type – Enter indirect rate type (e.g., provisional or fixed);
 - ii. Rate – The rate approved by the cognizant agency (e.g., 14.9 percent);
 - iii. Base – The total monetary base amount from which the indirect cost rate is determined (note: typically, indirect cost rate agreements identify the types of direct costs that are included in the base, such as salaries or modified total direct costs, but the reported base should be the accumulated amount of these items of cost to date);
 - iv. Period from / Period to – The time period covered by the approved indirect cost rate agreement;
 - v. Amount Charged – The total calculated (rate x base) amount of indirect expenses charged to the Award on a cumulative basis; and
 - vi. Federal Share – The Federal share of the indirect expenses charged.
 - (7) The recipient must also provide remarks to help explain the FFR, particularly any reconciliation (e.g., refunds) identified in the FFR.
 - (8) The recipient must also certify or attest that the information provided in the FFR is accurate.
- e. Milestone Progress Reports (MPRs). The MPRs must be submitted for each active award. The MPR is the primary written communication between the recipient and FTA regarding award progress. This report must be submitted electronically via TrAMS based

on the established reporting schedule. If only operating assistance is included in the Award, the reporting requirements are limited to the actual dates when all Federal assistance has been expended.

The information provided in MPRs must be as complete as possible, highlighting progress toward project objectives and any potential problem areas.

Each MPR must include the following data as appropriate:

- (1) At a minimum, the current status of each milestone that has passed during the prior reporting period, within an active award. FTA, at its discretion, may request a recipient to update each milestone within an active award. MPRs must identify:
 - (a) The actual completion dates for any milestones completed during the reporting period; and
 - (b) Any revised dates when any original (or last revised) completion dates were not met;
 - (c) If the milestone date exceeds the Award end date, the recipient must consult the FTA Regional Office to determine if an award modification is required to change the Award end date through a budget revision or an amendment.
- (2) A narrative of the activity status, any problems encountered in implementation, specification preparation, bid solicitation, resolution of protests, and third-party contract Awards.
- (3) A detailed discussion of all award budget or schedule changes.
- (4) An explanation of why scheduled milestones or completion dates were not met.
- (5) Identification of problem areas and a narrative on how the problems will be resolved.
- (6) A discussion of the expected impacts and the efforts to recover from the delays.
- (7) An analysis of each significant project cost variance: Completion and acceptance of equipment and construction or other work should be discussed, together with a breakout of the costs incurred and those costs required to complete the project. Use quantitative measures, such as hours worked, sections completed, or units delivered.
- (8) A list of all outstanding claims exceeding \$100,000, and all claims settled during the reporting period. This list should be accompanied by a brief description, estimated costs, and the reasons for the claims.

-
- (9) A list of all potential and executed change orders, as defined in Circular 4220.1F, and amounts exceeding \$100,000, pending or settled, during the reporting period. This list should be accompanied by a brief description. Identification of change orders does not imply notification, acceptance, or approval of budgetary changes that might be required.
- (10) A list of claims or litigation involving third-party contracts and potential third-party contracts that:
- (a) Have a value exceeding \$100,000;
 - (b) Involve a controversial matter, irrespective of amount; or
 - (c) Involve a highly publicized matter, irrespective of amount.
- (11) A list of all real property acquisition actions, including just compensation, property or properties under litigation, administrative settlements, and condemnation for each parcel during the reporting period.
- (12) All rolling stock ALIs must include a milestone for contract award.
- f. FFR and MPR Due Dates. FTA utilizes a risk-based approach to change the frequency of reporting requirements for a particular award or recipient. This will be noted in the grant or cooperative agreement. Unless altered by a risk-based change, the following reporting dates apply to FFRs and MPRs:
- (1) Recipients located in UZAs of 200,000 or more in population. For awards of more than \$2 million in funds from FTA, recipients located in UZAs with populations of 200,000 or more must submit FFRs and MPRs to FTA within 30 days after the end of each quarter, i.e., by January 30, April 30, July 30, and October 30. The FTA Regional or Metropolitan Office may request additional reports if circumstances warrant additional reporting.
- For awards of \$2 million or less in funds from FTA, recipients located in UZAs with populations of 200,000 or more must submit FFRs and MPRs to FTA annually on October 30, one month after the Federal fiscal year ends. The FTA Regional or Metropolitan Office may request more frequent reporting or additional reports if circumstances warrant additional reporting.
- (2) Recipients located in UZAs of less than 200,000 in population. FFRs and MPRs must be submitted and are due October 30, one month after the Federal fiscal year ends. The FTA Regional or Metropolitan Office may request more frequent reporting or additional reports if circumstances warrant additional reporting.
- (a) Exceptions:

-
- i Section 5309 Grants: All grant recipients, regardless of location and population area, are required to submit quarterly reports in TrAMS according to the dates in subsection 24.f.(1) above when grants include construction of facility.
 - ii State Departments of Transportation (State DOTs): State DOTs are required to report annually for all State-administered programs; this includes Sections 5303, 5304, 5307 (Governor's Apportionment), 5310, 5311, former Section 5316, and former Section 5317 programs. The exception described in the preceding paragraph applies to the State DOTs.
 - iii Section 5329: SSO funding requires quarterly reporting.
 - iv If the provisions of this FTA Circular 5010.1F differ from the provisions of the applicable FTA program circular, the program circular takes precedence. FTA at its discretion may always require more stringent reporting or specialized reports. Depending on project complexity, at its discretion, FTA may also request other special reports or quarterly project management meetings.

TrAMS automatically issues tasks to complete FFRs and MPRs based on the reporting cycle FTA established. These FFR and MPR tasks are only available in TrAMS until the next reporting cycle begins.

- g. Federal Funding Accountability and Transparency Act (FFATA) Subaward and Executive Compensation Reporting. Recipients awarded a new Federal assistance award greater than or equal to \$30,000, as of October 1, 2010, are subject to FFATA subaward reporting requirements, as outlined in OMB guidance issued August 27, 2010. The primary recipient is required to file a FFATA Subaward Report by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. In addition, all recipients must report the names and compensation of their five most highly compensated officers, and first-tier subrecipients must report the names and compensation of their five most highly compensated officers, if in the preceding fiscal year they received 80 percent or more of their annual gross revenues in Federal awards; and \$25,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of those recipients or subrecipients through periodic reports filed under Section 13(a) or 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. 78m(a) or 78o(d), or Section 6104 of the Internal Revenue Code of 1986.

Further instructions and the FFATA Subaward Reporting System (FSRS) can be found on the [FSRS website](#).

-
- h. Civil Rights Reports. Recipients, as a prerequisite for Federal assistance, must comply with certain civil rights requirements and routinely evaluate if their compliance requirements change.
- i. Title VI. Recipients must submit, on a triennial basis, a report of their compliance with the objectives of FTA Circular 4702.1B. FTA Circular 4702.1B provides details on the contents of compliance reports.
- j. Disadvantaged Business Enterprise (DBE) Program. Recipients meeting the FTA-assisted contracting threshold at 49 CFR 26.21(a)(2) must report on the following DBE Program requirements:
- (1) DBE Program. Recipients meeting the threshold set forth in 49 CFR 26.21(a)(2) must submit to FTA a DBE Program that includes all the required elements specified in 49 CFR Part 26. Recipients do not need to submit regular updates of the DBE Program once FTA has approved it, however significant changes to the program must be submitted for approval.
 - (2) DBE Goals. DBE goal-setting requirements apply to recipients that will award cumulative contracts (excluding vehicle purchases) exceeding \$250,000 in FTA funds in any given fiscal year. These recipients are required to provide DBE goals to FTA by August 1 on a triennial basis.
 - (3) Uniform Report of DBE Awards or Commitments and Payments. Recipients for which the DBE goals apply are required to submit the Uniform Report of DBE Awards or Commitments and Payments (the Semi-Annual Report) by June 1 and December 1 of each year. By June 1, the recipient must report on all FTA-funded contracts awarded and/or completed and ongoing DBE activity for the first half of the Federal fiscal year (October 1 to March 31). By December 1, the recipient must report on all FTA-funded contracts awarded and/or completed and ongoing DBE activity for the second half of the Federal fiscal year (April 1 to September 30). Reports are completed by filling out the reporting form available in FTA's TrAMS.
 - (4) Reporting Contracts with TVMs. Within 30 days after entering into a contract for any federally funded transit vehicle purchase, the recipient must submit to FTA the name of the TVM contractor and the total dollar value of the third-party contract using the online Transit Vehicle Award Reporting Form. Recipients must also submit the online Transit Vehicle Award Reporting Form within 30 days of exercising an option, a piggyback on an existing contract, or ordering a vehicle from an authorized schedule. The list of DBE-certified TVMs can be found on [FTA's website](#).

To the extent that a vehicle remanufacturer is responding to a solicitation for new or remanufactured vehicles with a vehicle to which the remanufacturer has provided post-production alterations or retrofitting (e.g., replacing major

components such as an engine to provide a “like new” vehicle), the vehicle remanufacturer is considered a TVM.

Further instructions for reporting vehicle purchases can be found on [FTA’s Office of Civil Rights website](#).

- k. Equal Employment Opportunity (EEO). Recipients covered under FTA Circular 4704.1A, which addresses EEO workplace requirements, must submit reports on their compliance with this circular every four years. FTA EEO program reporting requirements apply to recipients, subrecipients, and contractors that employ 100 or more transit-related employees and receive capital or operating assistance in excess of \$1million, or receive \$250,000 or more from FTA for planning purposes. Agencies that have between 50 and 99 transit-related employees are required to prepare and maintain an abbreviated EEO Program. FTA Circular 4704.1A provides details on the contents of EEO compliance reports.
- l. National Transit Database (NTD) Reporting. The NTD is the Nation’s primary source for information and statistics pertaining to the transit systems within the United States. NTD data are used to support numerous DOT programs and to “help meet the needs of individual public transportation systems, the United States Government, State and local governments, and the public for information on which to base public transportation service planning” (49 U.S.C. 5335).

The main authority for the NTD is 49 U.S.C. 5335. Additional reporting requirements at 49 U.S.C. 5311(b)(4), 49 U.S.C. 5326(b)(3), 49 U.S.C. 5326(c)(3), and 49 U.S.C. 5329(f)(4) are consolidated into NTD reporting as well. FTA implemented NTD requirements through the NTD Rule, 49 CFR Part 630. A recipient or subrecipient of Federal assistance from FTA that is required to report to the NTD must provide a complete report of all transit operations, regardless of whether those operations are or are not financed in whole or in part by FTA. Financial information reported to the NTD must be reported in accordance with the Uniform System of Accounts (USOA). The complete reporting requirements for the NTD, along with information on due dates, extensions, and waivers can be found in the current versions of the NTD policy manuals. The NTD Rule, the USOA, and the latest versions of the NTD reporting manuals can be found on [FTA’s NTD website](#).

- (1) Applicability. A recipient, subrecipient, or beneficiary of funds from FTA’s Urbanized Area Formula Funding Program (Section 5307) or Formula Grants for Rural Areas (Section 5311) is required by law to report to the NTD. Recipients of FTA funds under these programs that intend to procure federally funded assets for the benefit of another public transportation provider, such as by leasing the asset to another provider or entering a service agreement with another provider, must ensure that the beneficiary will successfully comply with NTD reporting requirements. In addition, recipients or subrecipients of funds for public transportation services from any other FTA program, including public

transportation services funded under FTA's Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310(b)(1)(A-C)), must complete the asset management reporting requirements. Recipients or subrecipients of funds for alternatives to public transportation services from FTA's Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310(b)(1)(D)) are not required to report to the NTD.

- (2) Reduced Reporting. A system that operates 30 or fewer vehicles across all modes in a UZA may request reduced reporting requirements. Systems with reduced reporting requirements complete an annual report very similar to the one for a transit system operating in a rural area. In addition, these systems are exempt from the monthly reports and the Safety Module Report. Systems with reduced reporting requirements must still annually report data on sources of revenue, operating expenses, capital expenses, service operations, organizational relationships, safety data, capital assets, and state of good repair performance targets. These systems are exempt, however, from collecting and reporting data on total passenger miles.
- (3) Annual Reports (Tribes). An Indian Tribe receiving funds under FTA's Tribal Transit Program must report annually to the NTD. The reporting requirements for Tribes are identical to those for the Small Systems Waiver systems listed above.
- (4) Annual Reports (Rural, Other than Tribal Transit). State Departments of Transportation file annual NTD reports on behalf of their subrecipients, except those subrecipients that are otherwise reporting directly to the NTD. Subrecipients of the Section 5311 Program are required to assist their State DOT in completing the annual NTD reporting requirements. These requirements are very similar to those for urban systems with reduced reporting requirements listed above. These requirements are based on 49 U.S.C. 5311(b)(4).
- (5) Annual Reports (Other than Sections 5307 or 5311). Recipients of other grants from FTA for public transportation services to the NTD must annually report organizational information, a capital asset inventory, condition assessments, and state of good repair performance targets. Recipients of these grants with subrecipients, must report the same information to the NTD on behalf of those subrecipients. This includes Section 5310 subrecipients that provide public transportation services under 49 U.S.C. 5310(b)(1)(A-C).
- (6) Annual Reports. Recipients of Section 5307 grants that do not apply for and receive reduced reporting requirements must file a full annual report. The full annual report includes data on sources of revenue, operating expenses, capital expenses, service operations, organizational relationships, total employees, fuel consumption, capital assets, and state of good repair performance targets.
- (7) Monthly Reports. Recipients of Section 5307 grants that do not have reduced reporting requirements must file a monthly report on transit operations, including

unlinked passenger trips, vehicle revenue miles, vehicle revenue hours, and vehicles operated in maximum service on each mode.

- (8) Safety Reports. Recipients of Section 5307 grants that do not receive a small systems waiver must report safety data to the NTD each month. A detailed report is required within 30 days of each safety event that meets the major event reporting threshold, including any event with a fatality, significant property damage, or serious injuries, among others. A summary report is required each month of certain events that do not meet the major event reporting threshold. Consult the NTD reporting manuals for specific requirements.
 - (9) Bus Fatalities and Transit Worker Assaults. NTD collects data on fatalities that result from impact with a bus and on transit worker assaults (as defined in 49 U.S.C. 5302) from all recipients of FTA funding.
- m. Quarterly Reports for Major Capital Construction Projects. Major capital construction project representatives must submit a quarterly project budget and project schedule. Recipients with major capital projects are required to submit the following reports:
- (1) Project Budget and Schedule: Recipients of major capital projects must submit project budget and project schedule data to FTA. A major capital project is usually identified during the application process. (See Chapter I, Section 4.a, “Definitions,” for a definition of major capital project.)
 - (2) Timing: Recipients with major capital projects are required to submit project budget and project schedule data at least once per quarter to the appropriate FTA Regional Office. On a limited basis, FTA may require a recipient to submit reports more frequently than quarterly. Deviations or additional reporting requirements should be included in the Award.
 - (3) Value Engineering Reports: Upon completion of a VE study on any major capital project, a recipient is required to submit the VE report to the appropriate FTA Regional Office. Copies of the VE report form are available in each FTA Regional Office.
- n. Reports and Other Materials Produced by the Recipient. All reports, presentations, and other products resulting from FTA sponsorship reports (Federal assistance or non-financial sponsorship) must contain the following acknowledgment and disclaimer:

DISCLAIMER NOTICE

This document is disseminated under the sponsorship of the United States Department of Transportation, Federal Transit Administration, in the interest of information exchange. The United States Government assumes no liability for the contents or use thereof.

The United States Government does not endorse products or manufacturers. Any trade or manufacturers' names appear herein solely because they are considered essential to the contents of the report.

7. **MODIFICATIONS TO THE AWARD.** At times, it may be necessary to modify the Award by revising the award budget or amending the grant or cooperative agreement. The recipient is responsible for managing and monitoring each project and related activities under the award to ensure that all projects and related activities are carried out in accordance with the award scope of work and budget. Recipients are required to report deviations from budget, project scope, project schedule or objective and request prior approvals, as applicable, from FTA for budget and program plan revisions, which include considerations for performance and program evaluation purposes when required. When there are post-award changes, coordination with FTA is essential to ensure compliance with various award, program, and Federal requirements. Because of this, recipients must contact FTA to determine how post-award modifications will be reflected in the award.

Each Federal assistance program has specific requirements that are included in the FTA program circulars that should be referenced before contemplating a modification to the award. For example, Federal assistance for the ADA complementary paratransit service as a capital project (80 percent Federal share) may not exceed 10 percent (or in some cases 20 percent, to the extent authorized by 49 U.S.C. 5302(4)(I)) of its annual apportionment under Section 5307 and 5311. The manner in which the award budget is initially structured during the application phase can facilitate or impede project management, particularly when unforeseen events require changes to the award.

There are three ways to modify the Award: (1) through a revision to the award budget (also known as a budget revision), (2) through an administrative amendment, or (3) through an amendment. The recipient must contact the FTA Regional or Metropolitan Office for questions relating to requests for a modification to its award. Whether a revision to the award budget may be permitted or whether an amendment to the Award will be necessary depends on the effect of the proposed changes and FTA direction, as well as ensuring prior approval requirements are met. FTA determines the appropriate type of modification. Award modifications are electronically submitted, reviewed, and approved in TrAMS using one of these three methods to maintain an active award budget and amendment. An active budget is required to ensure the recipient can seek reimbursement consistent with the newly approved changes to the award budget. Additional information is available in Appendix C of this circular, as well as the applicable program circulars.

In certain circumstances, a recipient must receive FTA's Prior Approval of a revision to an award budget or cost category before incurring costs. The request should be made as a revision to an award budget in TrAMS and must explain and justify the proposed revision and outline the proposed changes to confirm it is a valid revision to the award budget and not an amendment. FTA must document its review and concurrence before the recipient can incur costs associated with the proposed change. FTA's prior approval is required when the proposed revision meets any of the following criteria:

1. The revision results from changes in the scope of work or the objective of the project or program.
 2. Additional Federal funds are needed to complete the project.
 3. A revision involves specific costs for which prior written approval is required in accordance with applicable OMB cost principles listed in 2 CFR Part 200, subpart E, Cost Principles.
 4. For equipment, when the Federal share of the Award exceeds the simplified acquisition threshold (\$250,000, at the time of publication of this circular) and the cumulative amount of change exceeds 20 percent from the latest budget approved by FTA (either in the original application, or as modified in an amendment, or as approved by FTA in a budget revision), provided it does not alter the scope of work of the Award.
 5. The Federal assistance source is the same and is transferred between ALIs, within each project or across the projects with different Federal matching ratios. For example, moving Federal assistance from a capital activity with a match ratio of 80/20 to an operating activity with a match ratio of 50/50 requires a revision to the award budget. Certain revisions may require a Financial Purpose Code (FPC) transfer (e.g., prior Transportation Electronic Award Management (TEAM) grants and cooperative agreements that migrated to TrAMS).
 6. Changing the Federal share of an existing ALI, such as changing an ALI from 80/20 to 85/15 to account for compliance with ADA or CAA requirements.
 7. The addition of an ALI to an existing scope of work approved for the Award, provided that the request does not change the source or amount of Federal assistance originally awarded or change the scope of work of the Award and its projects.
 8. Any change within an approved scope of work requires that the recipient affirm in its request for a revision to an award budget that the new activity is consistent with the approved TIP (if applicable) and STIP; and, if applicable, has satisfied NEPA requirements.
 9. An award under a competitive program has certain limitations and requirements when considering changes to the award budget. Therefore, before proceeding with any changes, the recipient should notify its FTA point of contact first for direction.
- a. Budget Revisions.
- (1) General. Budget revisions may be made as long as there is no change to the purpose and the scope of work and no change to the type of or amount of Federal assistance awarded, regardless of the fiscal year for which the Federal assistance was appropriated. The following items assist in determining if the proposed change is appropriate to be made as an award budget revision:

- (a) Revisions to the award budget are generally changes to ALI amounts, when the same funding source is applied or when minor adjustments are made to descriptions of activities. For example, if an ALI is added to an existing Scope Code to better delineate the existing activities or to reallocate funds between existing ALIs when one ALI has completed its scope of work and a surplus of funds remains available, then a revision to the award budget may be appropriate.

However, if the proposed action results in all the ALIs within a Scope Code being reduced to zero, and the Scope Code is, therefore, zeroed out, then the recipient must consult with the FTA Regional Office as the action may necessitate an amendment.

- (b) Revisions to an award budget must be consistent with the activities contained in an approved TIP/STIP.
 - (c) Revisions to an award budget may not alter NEPA determinations pertaining to the current Award. Note that the addition of an activity to an existing Scope Code may be a revision to the award budget when it can be satisfied under the current NEPA determination of the Award, or it has satisfied NEPA independently.
 - (d) If the Award requires a change in the overall end date of the agreement, the recipient should consult the FTA Regional Office to determine if the change to the overall end date will be made through a budget revision or an amendment.
- (2) Procedures. A revision to an award budget must be submitted electronically through TrAMS. Revisions to an award budget may be performed to active awards regardless of whether they were initially awarded under an older FTA electronic award management system. A request for a revision to an award budget request must include:
- (a) A reason for the revision;
 - (b) An explanation to explain the impact of the change on the project, and the grant or cooperative agreement as a whole; and
 - (c) Changes to the associated ALIs in TrAMS.

Any additional information may need to be attached in TrAMS, including documenting any required prior approvals.

The FTA reviewer will return an incomplete revision to an award budget to the recipient for inclusion of additional information.

Revisions to the award budget may be sent to the DOL for informational purposes but the labor protection arrangements for the original Award will apply to any modifications without further DOL certification.

- b. Administrative Amendments. An administrative amendment is initiated by FTA and may only be used when there is no change to the scope of work, amount, or purpose of the Award.

An administrative amendment may be used for the following reasons:

- (1) To change or clarify the terms, conditions, or provisions of the grant or cooperative agreement;
- (2) To change the fiscal year or type of Federal assistance obligated for the Award;
- (3) To change the period of performance; or
- (4) To deobligate Federal assistance that is no longer needed to complete the approved project scope of work or purpose, without closing the Award.

- c. Amendments.

- (1) General. In most cases, an amendment to the Award is initiated by the recipient in consultation with FTA. An amendment is required when there is either a change in the scope of work or a change in the amount (addition or subtraction) of Federal assistance to an existing award (regardless of whether the source of assistance is the same or different). Amendments are generally significant changes to awards. Amendments are required when the Award includes multiple sources of financial assistance, and the action requires the addition of a new Scope Code to a project. Amendments may be needed to capture certain administrative requirements in TrAMS because it is the system of record.

A new amendment to a grant or cooperative agreement must meet the same application requirements as a request for a new award. Each amendment is subject to DOL certification to the extent required by law. For example, the applicant need not resubmit environmental documentation for activities approved under the original Award or prior approved amendment. However, if the amendment includes new activities, requisite documentation should be provided, such as environmental reviews and TIP/STIP information.

An amendment to an award made previously under TEAM and migrated into TrAMS is restricted and must be coordinated with the FTA Regional Office prior to incurring costs and initiating the amendment.

- (2) Procedure. All amendments must be submitted electronically through TrAMS. Amendments to the Award require a revised grant or cooperative agreement and

revised award budget. Amendments may require additional milestones, adjusting the schedule of one or more projects therein, or a change in the amount or program/source(s) of Federal assistance obligated for the Award. The amendment must meet the same requirements as a request for a new award, except that the recipient need not resubmit portions of the application for its original Award that are unaffected by the change.

When requesting an amendment, the recipient must:

- (a) Describe the reason for the amendment and the changes to the grant or cooperative agreement, including a detailed description of each change and a revised award budget;
- (b) Delineate the amendment; the recipient should include a header (e.g., “Amendment #1,”) in each narrative section, including the executive summary, the project description and related narratives, and the extended budget description and related details of the associated ALI;
- (c) Complete required items in TrAMS, including any necessary information that may need to be attached to the amendment, such as required prior approvals.

FTA requires the recipient to initiate an amendment to the grant or cooperative agreement if the request changes the scope of work of the Award. Amendments to the grant or cooperative agreement include (Note: this list is not exhaustive):

- A change in the project location, NEPA determination, or in the quantity of items to be purchased or constructed that substantially changes the purpose or intent of the Award;
 - The addition of a new project to the Award, or the division of an existing project into multiple projects, or deletion of a project included in the Award;
 - The addition or deletion of a Scope Code to an existing project;
 - The addition of an ALI to an existing Scope Code when it adds a new independent scope of work to the project, meaning, it is not associated with / does not support other existing activities included in the Award;
 - Whether the request will increase or decrease the total amount of the Federal funding of the Award;
 - The Federal program authorizing the Award is substituted (deobligate/reobligate), even if the total amount remains the same;
 - The action will add a second program of Federal assistance to the Award, even if the total Federal award amount remains the same.
- d. FPC Transfers. When a revision to the award budget includes a transfer of Federal assistance between capital/operating/planning activities, FTA must concur with (approve) the change in TrAMS before the recipient is able to draw down Federal assistance for the changed purpose. The recipient should understand that a change in an FPC may result in

a change to the overall non-Federal share depending on the required matching ratios. This is only applicable to Federal assistance previously awarded under TEAM.

- e. Period of Performance. Any changes to the Period of Performance, meaning the beginning or end date of the Award, may be made through a budget revision or an amendment with prior FTA approval. Costs incurred after the Award end date are ineligible. The recipient must consult the FTA Regional Office to determine if the change to the Award end date will be made through a budget revision or an amendment.
- f. Rolling Stock Changes. A recipient must continue to meet FTA's rolling stock spare ratio requirements for any change in the amount of revenue-generating rolling stock. If the change in the number of the approved vehicles in the award budget impacts its spare ratios, the recipient must validate the change in its Fleet Status summary in TrAMS. FTA prior approval is required for Fixed Guideway Capital Investment Program projects—New and Small Starts and Core Capacity Improvements (Section 5309). Section 5309 recipients should consult with their FTA Regional Office. Buses and Bus Facilities Program (Section 5339) recipients should review FTA Circular 9050.1A and consult with their FTA Regional Office for additional information.
- g. Deobligation. A change in Federal assistance may occur when FTA or a recipient elects to deobligate one source of Federal assistance; this may be part of the amount or the whole amount.

If the scope of work and funding programs are unchanged and the only action is the deobligation of Federal assistance, an administrative amendment may be used to process the modification to the grant or cooperative agreement. (See Chapter III, Section 7.b, "Administrative Amendment," above.)

- h. Change to Discretionary Awards or Earmarks. A change to an award resulting from a discretionary, competitively selected project or congressionally directed spending or earmark must be consistent with the original intent of the congressional language authorizing the Award or activities included in the original discretionary application, as outlined in the applicable Notice of Award. It is necessary to adhere to the competitive process and pre-award negotiations to ensure the integrity of the selection. For example, if a competitive award is made based on an application proposal only for a facility, an amendment generally cannot add a scope of work for vehicles, although the recipient may have other funding sources available (e.g., formula funds) to support vehicle acquisition. Before initiating an amendment, contact the FTA Regional or Metropolitan Office for assistance in making this determination.
- i. Transfer of Assets from One Transit Entity to Another Transit Entity. When a recipient transfers an FTA-funded property, but retains a Chapter 53 transit use, the recipient must document the transfer and acceptance of the responsibility for continuing control of the asset through a legally binding third-party agreement. The recipient agency must then document the transfer by way of a new award or an amendment. The balance of

remaining Federal interest and useful life should be referenced, and, if the asset is rolling stock, an update to its fleet information in TrAMS and its fleet management / status plan is required.

An amendment may or may not be required if the asset is transferred after its useful life. FTA will continue to have an interest in the asset beyond the minimum useful life. Coordination with the FTA Regional Office is encouraged to ensure sufficient and complete documentation for both the donating and receiving organizations. The recipient of the asset should document the transfer of the federally funded asset and attach the document to the recipient's profile in TrAMS. If the recipient is not a current Federal recipient, contact the FTA Regional or Metropolitan Office for assistance. Usually, a transfer of an asset with a remaining Federal interest will require an agreement between the two entities to document acceptance of the transfer of that asset, the transferee's continued compliance with the Federal requirements that are bound to those assets, and FTA's acceptance of the transferee as the new entity obligated to FTA with respect to the remaining Federal interest in the transferred assets. FTA's approval may be recorded by approving an award or award amendment. A copy of that document must be transmitted to the FTA Regional or Metropolitan Office.

8. AWARD CLOSEOUT. A recipient must submit all reports (financial, performance, and other reports required by the Federal award) no later than 120 calendar days after the conclusion of the period of performance. A subrecipient must submit all reports (financial, performance, and other reports required by a subaward) to the pass-through entity no later than 90 calendar days after the conclusion of the period of performance of the subaward (or an earlier date as agreed upon by the pass-through entity and subrecipient). When justified, FTA or the pass-through entity may approve extensions for the recipient or subrecipient.

When the recipient does not have a final indirect cost rate covering the period of performance, a final financial report must still be submitted to fulfill the requirements of this section. The recipient must submit a revised final financial report when all applicable indirect cost rates have been finalized. Unless FTA authorizes an extension, recipients must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the end date of the period of performance, as specified in the terms and conditions of the Federal award. Any deviation from the approved Award must be documented in the closeout amendment.

The closeout process requires the submission of the final budget reconciliation, final FFR, final MPR, and any other required reports outlined in the Award. Recipients are also required to request disposition instructions for equipment and real property no longer in public transportation use. While the closeout can capture changes, no new scope of work should be added during closeout. Closeout, by either party, does not preclude FTA's ability to seek repayment or other remedies for a recipient's breach of the terms and conditions of the grant or cooperative agreement.

If the recipient does not submit all reports in compliance with the award requirements within one year of the period of performance end date, FTA must report the recipient's material failure to comply with the terms and conditions of the Award with the Federal Awardee Performance and Integrity Information System (FAPIIS). Federal awarding agencies may also pursue other enforcement actions for noncompliance.

States should initiate project closeout with subrecipients within 90 days after all funds are expended and all work activities for the project are completed. The States should similarly initiate POP closeout with FTA within 90 days after all work activities for the POP are completed. A final FFR, final budget, and final POP must be submitted electronically via TrAMS at the time of closeout.

FTA expects grants awarded for a specific POP to be completed within a reasonable, specified time frame, generally two to three years. If small amounts of funds remain in an inactive grant, the State should request that the funds be deobligated and the project closed out. If the deobligated funds are still within their period of availability, FTA can reobligate the funds in a new grant to the State along with other currently available funds. Otherwise, the deobligated funds lapse and are reapportioned by FTA among all the States in a subsequent year.

- a. Closeout by Recipient. The recipient must initiate the closeout electronically, by submitting the following information in TrAMS, as part of the closeout process, within the 90- or 120-day time frame established by when the Award was made. Closeout includes the following:
 - (1) Confirmation that activities are complete and if closeout amendment will deobligate any unexpended balance of Federal assistance;
 - (2) A list of property acquired or improved in support of the Award that will continue to be within the purview of the grant or cooperative agreement as otherwise required in this circular, including disposition instructions;
 - (3) A final, reconciled award budget reflecting actual project costs by Scope Code and ALI, reflecting adjustments to the Federal and non-Federal amounts, including the return of any funds provided in advance or that the recipient is not authorized to retain;
 - (4) A final FFR, consistent with the reconciled award budget (e.g., deobligation);
 - (5) A final narrative MPR indicating the actual completion date of each ALI and a discussion of each ALI contained in the final award budget; and
 - (6) Any other documentation or reports required as part of the terms and conditions of the grant or cooperative agreement.

In order to provide sufficient time for financial and award management systems to capture relevant data and post, recipients should wait at least three to five business days after requesting final payments before initiating award closeout.

- b. Closeout by FTA. FTA may unilaterally initiate closeout of the Award. FTA will inform the recipient, in writing, of its decision to initiate closeout of the Award with the appropriate reasoning included. If a recipient does not submit all closeout reports in accordance with the terms and conditions of the Award, FTA must proceed to close out the Award with the information available within one year of the period of performance end date (2 CFR 200.344). Further, if a recipient does not submit all reports in accordance with this section within one year of the period of performance end date, FTA must report the recipient's material failure to comply with the terms and conditions of the Award with FAPIIS and may also pursue other enforcement actions. Circumstances that could cause FTA to close the Award at any time, include the following (Note: This list is not exhaustive):
- (1) The recipient's failure to comply with the terms or conditions of the grant or cooperative agreement or other Federal requirements;
 - (2) Continuation of the Award would not produce results commensurate with further expenditure of funds;
 - (3) Federal assistance is no longer needed to accomplish the purpose of the Award;
 - (4) Failure by the recipient to make reasonable progress to complete activities under the Award for which Federal assistance was awarded;
 - (5) Failure by the recipient to execute the award agreement within 90 days of FTA's Award; or
 - (6) FTA's determination that the project has been essentially completed and the Federal assistance awarded has been substantially drawn down.
- c. Adjustments to the Federal Share of Costs. Necessary adjustments to the Federal share of the costs of the Award are made after FTA receives and reviews the required closeout information. Recipients must promptly refund any costs FTA disallows during or after closeout. Adjustments may also be necessary after the Single Audit required by 2 CFR Part 200 is performed. Any Federal assistance for the Award received by the recipient but not expended must promptly be returned to FTA, including interest if appropriate. Additional information pertaining to the return of Federal assistance to FTA and Single Audit requirements is contained in Chapter VI, "Financial Management."
- d. Disposition of Property. The end of the period of performance can trigger occasions when property (real property, equipment, or supplies) acquired under an FTA award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency. As part of the closeout process, it is

necessary to document the property acquired or improved in support of the Award as noted above. Further information regarding the disposition of real property and equipment is included in Chapter IV.

9. SUSPENSION AND TERMINATION.

- a. Suspension. The suspension of the Award is an action by FTA that temporarily suspends Federal assistance for the Award or a specific project approved for the Award (or more than one award) pending required action by the recipient or pending FTA's decision to terminate an award. If FTA determines that the recipient has failed to comply with the terms and conditions of the grant or cooperative agreement, including the civil rights requirements, FTA will notify the recipient in writing of its intent to suspend the Award. FTA may withhold further payments or prohibit the recipient from incurring additional obligations pending completion of the required actions by the recipient or a decision to terminate the Award. This includes work being performed by third-party contractors or consultants. Unless FTA notifies the recipient otherwise, suspension will not invalidate obligations properly incurred by the recipient before the date of suspension to the extent that those obligations cannot be cancelled.
- b. Termination. All terminations must comply with the uniform administrative requirements set forth in 2 CFR 200.340 through 200.346. Under 200.340, an FTA award may be terminated in whole or in part as follows:
- (1) By FTA or the pass-through entity, if a recipient or subrecipient fails to comply with the terms and conditions of a Federal award;
 - (2) By FTA or the pass-through entity with the consent of the recipient or subrecipient, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated;
 - (3) By the recipient or subrecipient upon sending FTA or the pass-through entity written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if FTA or the pass-through entity determines in the case of partial termination that the remaining portion of the Federal award will not accomplish the purposes for which the Federal award was made, FTA or the pass-through entity may terminate the Federal award in its entirety; or
 - (4) By FTA or the pass-through entity pursuant to the terms and conditions of the Federal award, including, to the extent authorized by law, if an award no longer effectuates the program goals or agency priorities.

FTA's rights set forth in this circular are in addition to (and do not limit) the Federal Government's rights to terminate otherwise provided in law. FTA may terminate the Award, in whole or in part, at any time before completion, whenever it determines that

any of the conditions set forth in 2 CFR 200.340(a) have been met or the recipient has otherwise failed to comply with the terms or conditions of the Award, including any incorporated or governing laws or policies. Any failure to make reasonable progress, make reasonable use of the real property, facilities, or equipment acquired or improved for the Award, or other violation significantly endangering substantial performance of the Award may be deemed to be a breach the Award terms. FTA also may terminate the Award when it determines that continuing to provide Federal assistance to support the Award does not adequately serve the purposes of the law authorizing that Award. When an award is terminated by mutual consent, both parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portions of the Award to be terminated.

Costs incurred by the recipient during suspension or for the terminated portion of the Award after the effective date of the termination are unallowable except to the extent FTA may expressly authorize them in writing. Costs during suspension or after termination are allowable if: (a) The costs result from financial obligations which were properly incurred by the recipient before the effective date of suspension or termination, and not in anticipation of it; and (b) The costs would be allowable if the Federal award was not suspended or expired normally at the end of the period of performance in which the termination takes effect (2 CFR 200.343). However, costs the recipient allows to continue after termination due to the negligent or willful failure of the recipient to discontinue such costs will be unallowable. Refer to 2 CFR 200.472 for a discussion of termination costs. FTA evaluates each obligation to determine its eligibility for inclusion in the costs of the Award. After termination, the recipient must continue to comply with 2 CFR 200.344 (Closeout) and 200.345 (post-closeout adjustments and continuing obligations). Settlement is made in accordance with the terms and conditions of the grant or cooperative agreement.

When a Federal award is terminated or partially terminated, both the Federal awarding agency or pass-through entity and the recipient or subrecipient remain responsible for compliance with the closeout requirements in 2 CFR 200.344 and 200.345.

In general, termination of any Federal assistance for the Award will not invalidate obligations properly incurred by the recipient and concurred in by FTA before the termination date, to the extent those obligations cannot be canceled. However, in the event of noncompliance with the Award's terms and conditions, FTA may require the recipient to refund the entire amount of Federal assistance provided herein or any lesser amount as may be determined by FTA.

Expiration of any time period established for the Award does not, by itself, constitute an expiration or termination of the Award. Neither the receipt by the recipient of any Federal assistance for the Award, nor the closeout of Federal participation in the Award shall constitute a waiver of any claim that FTA may otherwise have arising out of the Award.

- c. Notice. FTA or the pass-through entity will provide the recipient or subrecipient a written notice of termination, which should include the reasons for termination, the effective date, and the portion of the Federal award to be terminated, if applicable. When FTA terminates an award prior to the end of the period of performance under this section, FTA must report the termination to the OMB-designated integrity and performance system accessible through SAM.

10. RETENTION AND ACCESS REQUIREMENTS FOR RECORDS.

- a. Applicability. This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of each recipient. Records retention and access requirements also apply to the recipient's third-party contractors, third-party subcontractors, and subrecipients. The recipients must include this requirement in third-party contracts, direct each subrecipient to include these requirements in their subagreements, and also direct its third-party contractors to include these requirements in its third-party subcontracts. These records are:
- (1) Records required to be maintained as identified in this circular; or as outlined in the terms of the grant or cooperative agreement, or otherwise considered pertinent to FTA program requirements;
 - (2) Records executed electronically, that may be retained electronically. However, copies made by microfilming, photocopying, or similar methods may be substituted for the original records, and files must be accessible for possible review, audit, or downloading to paper copy when required.
- b. Length of Retention Period.
- (1) Except as otherwise specified, records must be retained for three years from the date FTA receives the final FFR. (Please refer to earlier subsections in this chapter for records requirements related to assets acquired with FTA assistance).
 - (2) To avoid duplicate record keeping, FTA may make special arrangements with the recipient (including subrecipients, as appropriate) to retain any records that are continually needed for joint use. FTA will request the transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by FTA, the three-year retention requirement is not applicable to the recipient.
- c. Starting Date of the Retention Period.
- (1) General. In most circumstances, the starting date for retention of records is the date when the recipient submits the final FFR to FTA. For a project that is supported with Federal assistance across multiple awards, FTA may request that the starting date for retention of records be the date when the last associated award is closed. For example, for a large capital project where a third-party contract is funded

across more than one award, retention of records associated with that third-party contract would commence as soon as the last award financing that third-party contract is closed. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records must be retained for three years after completion of the action and resolution of all issues that arise from it.

- (2) Equipment Records. The three-year retention period for equipment records starts from the date of the equipment's disposition, replacement, or transfer at FTA's direction.
- (3) Records for Income Transactions after Closeout of the Award. In some cases, the recipient must report income after the Award is closed. When there is such a requirement, the retention period for the records pertaining to the earning of the income starts from the end of the recipient's fiscal year in which the income is earned, even if it falls after the date of the closeout of the Award (for example, if closeout occurs on September 5, and the recipient's fiscal year ends on June 30 of the following year, record retention begins the next day, on July 1).
- (4) ICRPs, CAPs, and Similar Rate and Rate Allocation Methods (Including de Minimis Rate). This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals (including de minimis rates), CAPs, and any similar accounting computations, or the rate at which a particular group of costs is chargeable (such as computer usage charge back rates or composite fringe benefit rates).
 - (a) If Submitted for Negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the recipient) to form the basis for negotiation of the rate, then the three-year retention period for its supporting records starts from the date of such submission.
 - (b) If Not Submitted for Negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the recipient) for negotiation purposes, then the three-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.
- (5) Third-Party Contract Records. The retention period for all third-party contract records required to be retained commences after the recipient makes final payments, and all other pending contract matters are closed.
 - (a) Substitution of Photocopies. Copies of documents may be substituted for the originals.
 - (b) Access to Records.

- i Records of Recipients and Subrecipients. FTA, the USDOT Office of Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, have the right of access to any of the recipient's books, documents, papers, or other records that pertain to the Award, in order to perform audits or make examinations, excerpts, or transcripts.
 - ii Expiration of Right of Access. The right of access in this section is not limited to the required retention period but continues as long as the records are retained.
- d. Restrictions on Public Access. In general, the Federal Freedom of Information Act (FOIA), 5 U.S.C. 552, does not apply to any recipient record owned and possessed by the recipient until the recipient provides that record to the Federal Government. However, State or local law may require recipients and subrecipients to provide periodic public access to their records. FTA may request a recipient to provide access to those records the recipient maintains on behalf of FTA (e.g., records required by Federal statute or regulation, such as Davis-Bacon wage records), or other records necessary to determine compliance with Federal requirements established as conditions of eligibility for recipients of Federal assistance.

CHAPTER IV:

PROPERTY ADMINISTRATION AND AWARD MANAGEMENT

1. GENERAL. This chapter provides guidance on the acquisition, management, use, and disposition of FTA-assisted property, including facilities purchased or constructed and rolling stock, equipment, and supplies procured under an FTA award. This is in accordance with 2 CFR Part 200 and other Federal requirements, including authorizing and appropriation legislation, incorporated into an FTA award by the Master Agreement and Certifications and Assurances. These requirements impact both pre- and post-award activities. Real property, equipment (including rolling stock), and supplies must be managed, used, and disposed of in accordance with applicable laws and regulations. Requirements related to in-kind contributions, Federal interest, and other administrative and management requirements for grants are included in this chapter.

Title 2 CFR Part 200 provides requirements that recipients must follow, including specific provisions for States as a pass-through entity. The DOT exceptions and additions to financial assistance requirements are provided in 2 CFR Part 1201. If the FTA recipient is a pass-through entity or if the Award includes subrecipients, then the recipient must meet the requirements of 2 CFR Part 200, subpart D regarding subawards. The primary recipient is solely responsible for all its Federal funds, including funds passed through to a subrecipient. The decision to provide a subaward to another party does not relieve the recipient's responsibility for overseeing and administering its own award from FTA and its associated financial assistance funding. Recipients must understand the administrative requirements for primary award recipients as well as those for any subaward subrecipients. There may be cases where a recipient may be a primary recipient in one award but a subrecipient in another.

Awards and award programs may also include specific instruction or limitations provided in the authorizing or appropriation legislation, NOFO, Federal Register notice, or award conditions that must be considered and require compliance. Familiarity with Federal grants management, specific financial assistance programs, and individual award requirements is essential.

- a. In-Kind Contributions. Recipients may use in-kind contributions of real property, equipment, and supplies as part of the non-Federal share, so long as the item donated is needed to carry out the Award's scope of work.

In-kind contributions as non-Federal share, either owned and contributed by the recipient or by a third party to the recipient, must meet the following criteria:

- (1) Are verifiable from the recipient's records;
- (2) Are not included as contributions for any other award;

-
- (3) Are necessary and reasonable for accomplishment of the objectives of the Award;
 - (4) Are allowable under the Federal Cost Principles;
 - (5) Are not paid for by the Federal Government under another Federal award; except where an applicable Federal statute specifically allows such payment;
 - (6) Are provided for in the award budget; and
 - (7) Are not considered a manufacture discount or credit.
- b. Insurance. At a minimum, the recipient agrees to comply with the insurance requirements normally imposed by its State and local laws, regulations, and ordinances, except to the extent that the Federal Government determines otherwise in writing.
- c. Flood Insurance. The recipient agrees to have flood insurance, as required by the Flood Disaster Protection Act of 1973, 42 U.S.C. 4012a(a), for any building located in a special flood hazard area, as defined in 44 CFR Part 59, before receiving Federal assistance to acquire, construct, reconstruct, repair, or improve that building. In addition, the building and its contents must be covered by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or equal to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less. Current limits are \$500,000 per building and \$500,000 for the contents of each building.
- FTA has defined building and contents coverage in its Emergency Relief rule, 49 CFR Part 602, as follows:
- (1) Building. For insurance purposes, a structure that is affixed to a permanent site with two or more outside rigid walls and a fully secured roof. This includes manufactured or modular office trailers that are built on a permanent chassis, transported to a site in one or more sections, and affixed to a permanent foundation. Trailers are considered “residential rental property” and follow real property guidelines.
 - (2) Contents coverage. For insurance purposes, contents are personal property within a building, including fixtures, machinery, equipment, and supplies. In addition to the costs to repair or replace, contents insurance coverage shall include the cost of debris removal and the reasonable cost of removal of contents to minimize damage.
- d. Minimum Insurance. The recipient must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal assistance as provided to property owned by the recipient.

- e. Insurance Proceeds. If the recipient receives insurance proceeds when federally assisted property has been lost or damaged by fire, casualty, or natural disaster, the recipient agrees to:
- (1) Apply those proceeds to the cost of replacing or repairing the federally assisted property that is damaged, destroyed, or taken out of service (Appendix G includes two examples of the application of insurance proceeds.); or
 - (2) Return to FTA an amount equal to the remaining Federal interest in the federally assisted property that is lost, damaged, or destroyed.

The Federal interest is not dependent on the extent of insurance coverage or on the insurance adjustment received.

- f. Flood Risk Management. Executive Order No. 13690, “Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input,” was issued to improve the Nation’s resilience to flooding and to better prepare for the impacts of climate change. This order identifies a process to avoid action in or impacting the floodplain and minimizing potential harm if an action must occur in or otherwise impact the floodplain. If avoiding the floodplain is not possible, the order calls for recipients to improve the resilience of communities and Federal actions. All FTA recipients receiving funding for infrastructure projects of facilities are required to follow Executive Order 11988, as amended by Executive Order 13690, which includes assessment of flood risk associated with proposed projects in floodplains.
- g. TAM Regulations. All recipients and subrecipients of FTA Federal assistance under 49 U.S.C. Chapter 53 that own, operate, or manage capital assets used for providing public transportation must follow the regulations found in 49 CFR Part 625, “Transit Asset Management,” including the requirement to develop or participate in the development of a TAM Plan and amendments to 49 CFR Part 630, “National Transit Database,” which includes reporting requirements. These TAM provisions are codified at 49 U.S.C. 5326 and are applicable to all FTA recipients. On July 26, 2016, FTA published the TAM Final Rule. The National TAM System has five elements:
- (1) A definition of the term “state of good repair” with objective standards for measuring the condition of capital assets of recipients, including equipment, rolling stock, infrastructure, and facilities (49 U.S.C. 5326(b)(1));
 - (2) A requirement that recipients and subrecipients of Federal financial assistance under 49 U.S.C. Chapter 53 develop a [TAM plan](#) (49 U.S.C. 5326(b)(2));
 - (3) A requirement that each Designated Recipient of Federal financial assistance under 49 U.S.C. Chapter 53 report on the condition of the system of the recipient and provide a description of any change in condition since the last report (49 U.S.C. 5326(b)(3));

- (4) An analytical process or decision support tool for use by public transportation systems that (1) allows for the estimation of capital investment needs of such systems over time; and (2) assists with asset investment prioritization by such systems (49 U.S.C. 5326(b)(4)); and
- (5) Technical assistance to recipients of Federal financial assistance under 49 U.S.C. 5326(b)(5).

The goals, objectives, measures, and performance targets developed by recipients pursuant to TAM requirements must be integrated into statewide and metropolitan planning processes (49 U.S.C. 5303(h)(2)(D) and 5304(d)(2)(C)).

2. **REAL PROPERTY.** Real property must be acquired in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended; 42 U.S.C. 4601 et seq.; and 49 CFR Part 24, the implementing regulation. Real property must be used and managed in accordance with the current Master Agreement and subpart D of 2 CFR Part 200, including Sections 200.311, 200.316, and 200.330. The following requirements govern the acquisition, use, or disposition of real property purchased with Federal assistance. All regulatory references in this section are to 49 CFR Part 24, unless specified otherwise.
 - a. **General.** If a recipient is using an FTA-funded award, including non-Federal matching funds, to acquire real property or provide relocation assistance necessary to secure property for the Award, the recipient must comply with the requirements in the URA, as amended. The URA is implemented by regulation, 49 CFR Part 24.

The objective of the URA is to ensure equitable treatment of property owners of real property to be acquired under the federally assisted Award; that people displaced by an award be treated fairly, consistently, and equitably; and that recipients acquiring real property implement the regulations in a manner that is efficient and cost effective. The regulations implementing the URA contain specific requirements to achieve these objectives. With few exceptions, the URA applies whenever there is Federal assistance anywhere in project costs.

FTA has a responsibility to monitor and ensure that FTA award recipients are in compliance with Uniform Act requirements (see 49 CFR 24.4). As an FTA policy, FTA reviews and concurs in appraisals. FTA reviews appraisals for acquisitions and dispositions of more than \$1,000,000. FTA also reviews in-kind contributions and land exchanges of any value before Federal assistance is expended, or the value is used as non-Federal share. A review appraiser's report is required on all appraisals receiving Federal assistance. If the property being appraised is to be used by the recipient as an in-kind contribution, the value of the in-kind contribution cannot be determined and applied to the Award until the appraisal has been approved by FTA.

Unless otherwise agreed to by FTA in writing, to ensure eligibility for Federal assistance, the recipient should follow the typical URA process sequence when acquiring real property under an award.

Recipients may not purchase real property or make a binding offer to purchase real property before completing NEPA, unless FTA has made a determination that the advance acquisition qualifies: (1) under FTA's corridor preservation statute (49 U.S.C. 5323(q)); (2) as a hardship or protective buy CE (23 CFR 771.118(d)); or (3) for the limited, stand-alone property acquisition CE where there is no substantial change in the functional use of the property being acquired (as well as the CE's other conditions) (23 CFR 771.118(c)(6)).

However, recipients may engage in preliminary acquisition activities during the NEPA process provided the activities do not limit the consideration of NEPA alternatives or violate the requirements of the URA. These preliminary acquisition activities may include relocation planning and preliminary discussions with property owners that do not result in binding agreements. Failure to comply with NEPA requirements may jeopardize the eligibility of the Award.

The requirements and processes for conducting appraisals, review appraisals, providing relocation assistance, and requesting FTA's concurrence are described in the text that follows.

b. Appraisal of Real Estate.

- (1) General. An offer of just compensation must be established on the basis of recent independently prepared appraisal documents that estimate the fair market value.
- (2) Appraisers. Appraisers must be certified or licensed with a State Appraisal Board as required by 49 CFR 24.103(d)(2). However, staff employees may be exempt from this requirement. FTA recommends that appraisals and review appraisals be completed by appraisers experienced with State and Federal laws for valuing properties for public acquisitions under the threat of eminent domain. Appraisers and recipients making appraisal assignments should be familiar with the implementing regulations of the URA, 49 CFR Part 24, subpart B, Real Property Acquisition. State subrecipients may use the State's staff appraisers to prepare required independent appraisals and appraisal reviews.
- (3) Requirements. Appraisals must be fully compliant with all the appraisal requirements as cited in 49 CFR 24.103(a). This includes compliance with the scope of work (reference Appendix E of this circular), i.e., defining the appraisal requirements and, as appropriate, a Realty/Personalty Report. The appraisal scope of work sets out the specifications for the appraisal of a single parcel or group of parcels. It can be included in or appended to the contract with a fee appraiser or the assignment to an agency staff appraiser. The appraiser will also appropriately

address the requirements of 49 CFR 24.103(b) and (c) in the report concerning the effects of influence of the Award and owner retention of improvements.

Depending on the individual State Appraisal Board, certified/licensed appraisers may need to utilize the jurisdictional exception provisions of Uniform Standards of Professional Appraisal Practice (USPAP) in order to complete the assignment for a public agency in full compliance with the requirements of 49 CFR 24.103.

If the acquisition leaves the owner with an uneconomic remnant, the appraiser or review appraiser may be assigned the responsibility to make this determination and appraise the fair market value of the remnant. See 49 CFR 24.102(k).

The owner also has a right to accompany the appraiser during the inspection of the property pursuant to 49 CFR 24.102(c)(1).

When valuing properties that contain contamination or hazardous material, the appraiser must consider the effect, if any, that such contamination or material presence has on the market value. Recipients shall ensure that all Environmental Site Assessment (ESA) research results undertaken during the NEPA process are provided to the appraiser at the start of the valuation process.

The appraisal of property with contamination is a complex subject and is more fully covered in the discussion of the appraisal scope of work found in Appendix E. Recipients should update appraisals that are over six months old in an active real estate market before fair market value is determined and submit to the FTA Regional or Metropolitan Office for review and concurrence, when required. If the documents are not updated, the letter of transmittal to FTA shall provide adequate justification explaining why the appraisal was not updated.

- (4) Exceptions. Full appraisal and negotiation procedures are not necessary in certain instances. While an appraisal of the property may not be required in some of the following instances, the recipient must have some reasonable basis for its determination of fair market value in accordance with 49 CFR 24.101(b) and the related requirements to this section in 49 CFR Part 24, Appendix A. In the case of a donation, an appraisal may not be required; however, an appraisal is required if the recipient proposes to use the property as an in-kind contribution as part of the non-Federal share. State subrecipients may use the State's staff appraisers to prepare required independent appraisals. FTA should be contacted for further guidance when any one of the following situations occurs:
 - (a) The owner is donating the property (reference 49 CFR 24.108 and 24.102(c)(2));
 - (b) The property qualifies as a voluntary acquisition as described in 49 CFR 24.101(b)(1); or

- (c) The valuation is uncomplicated, and the fair market value is estimated at \$15,000 or less, based on a review of available data, using the waiver valuation provision found at 49 CFR 24.102(c)(2) and 24.2(a) Waiver valuation.

c. Appraisal Review of Real Estate.

- (1) General. All appraisals for acquisition of real property are to be reviewed in accordance with the Uniform Act and 49 CFR 24.104. The review appraisal should determine the soundness of the report's value estimate. A qualified review appraiser (see 49 CFR 24.103(d)(1), 49 CFR Part 24, Appendix A, and 49 CFR 24.104) shall examine the presentation and analysis of market information in all appraisals to assure that they meet the definition of an appraisal found in 49 CFR 24.2(a) Appraisal, as well as other appraisal requirements found in 49 CFR 24.103 and other applicable State and local requirements. FTA requires that the review appraiser's comments be in a narrative format. The review appraiser may use an appraisal checklist provided that it is supported by a narrative explanation of the key points of the appraisal.

The review appraiser often must determine whether the value conclusion is consistent with State laws pertaining to what is compensable in eminent domain for public acquisitions and with the Uniform Act. The review appraiser is also responsible for assuring that value estimates are consistent when multiple parcels of property are needed for the Award. The review appraiser cannot determine the soundness of a report's value estimate without possessing familiarity with the subject property, the comparable sales used, and other market factors; thus, rarely will only a desk review be sufficient. The Appraisal Review Report is a technical analysis and review of the appraisal, not merely an administrative review.

- (2) Requirements. In accordance with 49 CFR 24.104(a), the review appraiser shall prepare a written report identifying each Appraisal Report as:
 - (a) Recommended (as the basis for the establishment of the amount believed to be just compensation);
 - (b) Accepted (meets all requirements, but not selected as recommended or approved); or
 - (c) Not accepted.
- (3) Establishment of Just Compensation. If authorized by the recipient, a staff review appraiser may also develop and report the amount believed to be just compensation.

If the review appraiser is unable to recommend (or approve) an appraisal as an adequate basis for the establishment of the offer of just compensation, and it is determined by the acquiring agency that it is not practical to obtain an additional

appraisal, the review appraiser may, as part of the review, present and analyze market information in conformance with 49 CFR 24.103 to support a recommended (or approved) value (see 49 CFR Part 24, Appendix A, related to 49 CFR 24.104(b)).

The review appraiser must be appropriately qualified. The qualifications of the review appraiser depend on the complexity of the appraisal problem. Qualification may require, for example, the review appraiser to be a State certified appraiser. Refer to 49 CFR 24.104 and Appendix A of 49 CFR Part 24 for requirements for review appraisers and review appraisals.

d. Appraisal Concurrence Requirement.

FTA concurrence is required for both appraisals and the appraisal reviews when:

- (1) For intended parcel acquisition and disposition, the valuation is greater than \$1,000,000; or
- (2) There is non-Federal contribution, whether in cash or in-kind contributions, and land exchange of any value.

NOTE: All appraisals and review appraisals, regardless of value or prior concurrence requirement must be compliant with 49 CFR 24.103 and 24.104. Recipients should update appraisals that are over six months old before the establishment of fair market value and, if required, submit to the FTA Regional Office for review and concurrence. If the appraisal is not updated, the letter of transmittal to FTA shall provide adequate justification explaining why the appraisal was not updated. FTA may choose to review any appraisal or review appraisal used in an FTA-assisted award when circumstances warrant or as part of a periodic review. The recipient must maintain documentation that supports valuation decisions in the parcel files.

e. Acquisition of Real Estate and Concurrence Requirements. In accordance with URA requirements, every effort should be made to acquire real property by negotiation based on the approved just compensation amount that has been determined by the acquiring agency and considering the requirements described below:

- (1) Market Value. Before making an offer to the property owner, the recipient must first establish the market value of the parcel to be purchased. Property acquisition activities will be conducted in compliance with the requirements of 49 CFR 24.101 and 24.102. Market value is to be established through a current appraisal and appraisal review accomplished in accordance with the requirements of 49 CFR 24.103 and 24.104, respectively. Once the appraisal and the appraisal review are complete, a determination of just compensation must be made by the recipient in accordance with 49 CFR 24.102(d).

- (2) Making an Offer. After the just compensation determination has been made by the agency, with FTA concurrence, if required, an offer can be made to the owner.

No owner shall be required to surrender possession of real property without either payment of the agreed purchase price to the owner or deposit of the established just compensation amount in a condemnation court, as set out in 49 CFR 24.102(j). The full amount of the deposit must be made available to the owner without prejudice, pending the ultimate determination of just compensation by the judicial process. The recipient must reimburse property owners for actual, reasonable, and necessary expenses incidental to transfer of title pursuant to 49 CFR 24.106. As stated therein, whenever feasible, the Agency shall pay these costs directly to the billing agent so that the owner will not have to pay such costs and then seek reimbursement from the Agency.

- (3) Uneconomic remnant. If the acquisition leaves the owner with an uneconomic remnant, the recipient must offer to acquire that remnant, and its value will be presented as an element of the written offer that is made (See 49 CFR 24.102(k)).
- (4) Filing Condemnation. FTA concurrence is required before filing for condemnation if the appraised amount exceeds \$1,000,000.
- (5) Administrative Settlements. Any settlement in excess of the recipient's approved just compensation must be addressed as an administrative settlement set forth in 49 CFR 24.102(i). Legal settlements for the purchase of real property before and after filing for condemnation are administrative settlements for purposes of the URA and therefore must be justified in writing the same as all other administrative settlements.
- (a) Settlement Concurrence Requirements. Administrative settlements exceeding the higher of \$50,000 or 15 percent of the current fair market appraised value require prior FTA concurrence. Note that relocation payments are not considered part of an administrative settlement. Instead of using its power of eminent domain when a property cannot be purchased at appraised value, a recipient may propose acquisition through negotiated settlement. The recipient must document that reasonable efforts to purchase the property at the appraised amount have failed and prepare a written justification supporting why the settlement is reasonable, prudent, and in the public interest. Such a settlement will be handled in accordance with administrative settlement requirements at 49 CFR 24.102(i). If the settlement request represents a significant increase exceeding the higher of \$50,000 or 15 percent of the current fair market appraised value and/or if trial risks are a key factor in the settlement justification, a litigation attorney for the recipient must be consulted and a signed letter of concurrence must be provided in the settlement. The decision to recommend a settlement should take into account

the risks of settling for the proposed amount versus the risks of conducting a condemnation trial in court, among other relevant matters.

- (b) Settlement Justification Requirement. All settlements, regardless of concurrence requirement, must be justified in writing and be available in the files pertaining to the Award. The justification shall be thorough, document the entire settlement process, demonstrate the logic and reason supporting the settlement, and be able to withstand the scrutiny of an independent review. If any type of settlement exceeds FTA's threshold, a written justification of the final settlement amount must be submitted to FTA for concurrence before the settlement is executed. Note that this concurrence requirement does not limit a recipient's flexibility to negotiate a settlement above appraised value. Prior concurrence to increase an offer of just compensation (assuming an increase can be justified as reasonable, prudent, and in the public interest) is not required when the parties are in negotiations. A request for concurrence should be submitted to FTA at the time both parties have reached an agreement on price.
 - (c) Global Settlements Prohibited. In the context of real property acquisition, global settlement means the consolidation of all payments, including acquisition and relocation, into one payment. This is not permitted on FTA projects, as global settlements conflict with the intent of the URA. Under the URA, an appraisal sets "just compensation" for the real property involved and is made before the initiation of negotiations on a particular parcel. The relocation of personal property, on the other hand, is reimbursed based upon the actual, reasonable, and necessary costs that most often cannot be determined until after the move is complete.
- (6) Relocation Assistance. The Relocation Assistance program provides a variety of advisory services and benefits to displaced people, businesses, and nonprofit organizations. The highlights of this program element and FTA policies related to it are summarized in the following:
- (a) Early provision of written notices and explanations of Federal acquisition and relocation programs must be provided to displacees as required by 49 CFR Part 24.
 - (b) No lawful occupant will be required to move without at least 90 days' advance notice per 49 CFR 24.203(c).
 - (c) In the case of residential displacees, at least one comparable replacement dwelling must be made available before the displacees must move. Rental assistance and replacement housing payments are provided to make the dwellings affordable and available at the time the notice is given. See 49 CFR 24.204.

-
- (d) All displacees, both business and residential, are reimbursed for certain moving expenses per 49 CFR 24.301 through 24.306.
 - (e) There must be as many residential dwellings available as there are families who will be displaced. The dwellings must be comparable to the ones from which the people are displaced. In addition, the comparable replacement dwellings must be decent, safe, and sanitary (DSS); located in the same area or in areas generally not less desirable in regard to public utilities and public and commercial facilities; reasonably accessible to the displacees' places of employment and within the financial means of the displaced families; and adequate in size to accommodate the occupants in accordance with 49 CFR 24.204.
 - i The definition of DSS at 49 CFR 24.2 contains the following requirements regarding the number of rooms and area of living space for the displacees. "The number of persons occupying each habitable room used for sleeping purposes shall not exceed that permitted by local housing codes or, in the absence of local codes, the policies of the displacing Agency. In addition, the displacing Agency shall follow the requirements for separate bedrooms for children of the opposite gender included in local housing codes or in the absence of local codes, the policies of such agencies."
 - ii In the absence of applicable housing codes, FTA's policy requires separate bedrooms and gender separation for children over 12 years of age.
 - (f) Replacement housing must be open to all people regardless of race, color, religion, sex, or national origin, as required by 49 CFR 24.8 of the URA regulations.
 - (g) Any relocation benefits required by State or local law exceeding the specified limits established in the Uniform Act may be reimbursed by FTA as eligible project costs. Any other relocation assistance benefits required by State or local law (e.g., loss of goodwill payments) not already specifically enumerated or defined; or benefits that are specifically prohibited in the Uniform Act regulation at 49 CFR Part 24, will not be reimbursed by FTA.
 - (h) Rental and for-sale dwellings used in the determination of replacement housing benefits must be actually and currently available for sale or rent. FTA does not allow the use of rent schedules for the calculation of rental housing cost differentials, as it is not compliant with the URA regulations that require that comparable and currently available rental properties be identified and provided to the displacees.

-
- (7) FTA Management and Project Oversight of Property Acquisition. FTA stewardship of an award includes various strategies, and in some cases involves the application of risk management techniques. Based on various conditions, including dollar thresholds and the complexity of the property acquisitions involved, FTA may require the submission of all transactions meeting certain criteria for prior approval. Refer to the discussion of prior concurrence for certain appraisal, condemnation, and settlement issues discussed in Chapter IV of this circular.

FTA may also conduct a process or transactional review at any time during or after implementation of the Real Estate Acquisition Program to ensure compliance with the governing laws and regulations.

- f. Special Real Estate Acquisition Program Strategies/Issues. Several real estate program strategies or issues are worthy of discussion in some detail as follows:

- (1) Acquisition Incentive Payments Programs. A real property acquisition incentive payment is a payment for interests in real property over and above a recipient's established just compensation determination. Based on project real property acquisition needs, a recipient may determine that implementing a program of acquisition incentive payments is an effective strategy to reduce the time needed to acquire project property and may request FTA approval to implement a program of acquisition incentive payments. The cost of acquisition incentive payments is eligible for Federal assistance as a real property acquisition cost under an award if approved by FTA. Relocation assistance incentive payments are not allowed for properties where residents or businesses will be displaced, and may not be implemented under any FTA award.

A recipient proposing to implement a program of acquisition incentive payments must request a review through the FTA Regional Office. FTA will review the request to ensure that appropriate safeguards are in place, and that the proposed program of acquisition incentive payments complies with Uniform Act requirements. A request for approval to implement a program of acquisition incentive payments on a specific project should, at a minimum, include the following:

- (a) Documentation demonstrating the use of acquisition incentive payments is permissible under State law.
- (b) An identification and discussion of factors to be considered that justify the use of incentive payments on a particular project, such as escalating property values and increasing real property acquisition costs. The use of incentive payments must not be allowed as a substitute for appropriate project planning and development, including the scheduling of adequate real property acquisition lead time.

- (c) A finding that clearly demonstrates that the use of incentive payments is cost effective, and thus, in the public interest. This could include a comparison of the anticipated cost of the incentive payments to project expenses that would be saved or avoided through the utilization of incentive payments. This could also include consideration of such factors as enhanced safety and other benefits to the traveling public created by having a transportation facility in place and operational at an early date.
- (d) A description of how payment amounts will be determined, including formulas for their computation, payment maximums (caps), and incentive offer expiration limits (for example: accept the offer within two weeks and the incentive is X; accept the offer within four weeks and the incentive is X times one half).
- (e) A description of safeguards in place to provide for fair, equitable, and consistent treatment of all property owners, and safeguards to eliminate attempts to coerce property owners (for example: the development of a specific written policy and an internal quality assurance and quality control review process that ensures all property owners are treated the same).
- (f) A description of actions that will be taken to monitor implementation and ensure consistent treatment.
- (g) An identification of specific performance measures that will be used upon project completion to evaluate the effectiveness of acquisition incentive payments. At the conclusion of the real property acquisition activities for a project, FTA may request the recipient to report to FTA on the effectiveness of the acquisition incentive payment program, as implemented.

Receipt of an acquisition incentive payment does not affect an owner's entitlement to Uniform Act required relocation assistance payments, benefits, or services.

Implementation of an acquisition incentive payment program on a project does not preclude the use of administrative settlements. Administrative settlements may be made and should be documented separately on merit. If a property owner is to receive payment for both an administrative settlement and an acquisition incentive payment, each should be independently supported and documented.

- (2) Exemption from Concurrence Requirements. Recipients undertaking a major capital project are exempt from FTA's requirements for concurrence on appraisals for acquisition, condemnations, and administrative settlements when FTA has determined (typically with the assistance of a PMO contractor) that the recipient's project RAMP is adequately detailed to responsibly proceed with acquisition of real property in full compliance with all Federal requirements. Adequate detail may include information regarding acquisition timing, project scope, qualifications of

the real property acquisition team, number and type of displacements, conveyance documents, and project budget, along with any other items deemed critical to compliance with Federal requirements by FTA.

Real property acquisition activities for major capital projects undertaken prior to FTA's RAMP determination are not exempt from and are subject to existing concurrence requirements. Under these circumstances, all transactions requiring concurrence shall be submitted to FTA for review until FTA has determined the project is exempt from the requirements.

Once an exemption is approved, recipients determined to remain exempt from FTA's concurrence requirements must list all completed and planned transactions (appraisal for acquisition, administrative settlements, and proceeding to condemnation) exceeding existing concurrence thresholds in its quarterly reports to FTA. Recipients should anticipate that FTA or a PMO contractor will inspect some records for completed transactions, especially early in a project.

At its discretion, FTA may withhold an exemption or rescind an existing exemption from FTA's established concurrence requirements. FTA may reinstate concurrence requirements any time it determines a recipient has not complied with, or, in the opinion of FTA, is at risk of noncompliance with Federal requirements. FTA reserves the right to review any real property transaction when circumstances warrant or as part of a periodic review.

- (3) Third-Party In-Kind Contributions. Recipients may use third-party in-kind contributions of real property as part of the non-Federal share so long as the property to be donated is needed to carry out the scope of work of the Award. General requirements and criteria for third-party in-kind contributions are outlined earlier in this chapter. The in-kind contribution allowance will be based on the current market value as independently appraised. Appraisals and review appraisals for property being donated, regardless of appraised value, must be submitted to the FTA Regional or Metropolitan Office for concurrence. The value of the donated property may not exceed the fair market value of the property at the time of the donation.

Credit can only be allowed for the value of the portion of real property used or consumed by the project. If part of a larger parcel is to be used as non-Federal share and the remaining sub-parcel is intended to be used at a future date for future share, the recipient is cautioned to clearly indicate the limits of the sub-parcel to be used as non-Federal share and the appraised amount associated with the sub-parcel. The remnant sub-parcel can then follow the same procedure for future non-Federal share. If the entire parcel is provided as non-Federal share and no delineation is made related to possible use of the excess sub-parcel as over-match, eligibility of the over-match sub-parcel may be lost. If Federal assistance were used to purchase

the property, only the non-Federal share of such property may be counted as the value of the in-kind contribution.

- (4) Land Exchanges. Some recipients find that during the development of the Award, better uses of federally assisted property can be achieved by exchanging parts or parcels with neighboring property owners, sometimes called a land swap or land exchange. FTA does not have a separate process for these transactions; instead, this action is accomplished through determining the current fair market value, by appraisal, of the property to be acquired and the property to be disposed by the recipient. Since the land exchange process is in lieu of a typical acquisition, all the Uniform Act requirements are applicable. If the Award is still open, and the part to be disposed is more valuable than the part acquired, the net proceeds must be credited to the open Award. If the Award is closed, or not yet developed, the recipient should follow other disposition methods defined in this chapter.
- (5) Joint Development. Please refer to 49 U.S.C. 5302(4)(G) and FTA Circular 7050.1C for further information if seeking to pursue a joint development with federally assisted property.
- (6) Functional Replacement. Functional replacement provides a method of paying the cost necessary to replace a publicly owned facility (e.g., a fire station or public school) being acquired with a similar needed facility. The FTA Regional or Metropolitan Office should be contacted for further information.

A determination to use functional replacement should be made early in the development process for the project(s) under the Award. The use of this approach would usually be addressed during the environmental review phase preceding the Award and be presented as a mitigation measure to be undertaken under the Award.

- (7) Environmental Mitigation. See Chapter III.
- (8) Contaminated Property (Including “Brownfields,” as Defined in Chapter 1 of this Circular). As part of the NEPA process, the recipient must undertake appropriate due diligence to identify the risks associated with acquiring property that may be contaminated. For all real estate acquisitions, the recipient must undertake a Phase I ESA to assess the environmental condition of the property and identify actual or potential areas where contaminants may have been released to the environment. If the results of the Phase I ESA indicate that the property is likely contaminated, the recipient shall undertake, as appropriate, additional Phase II and III ESAs to confirm the presence of contamination and quantify the cost to remediate based on the intended use of the property for the federally assisted capital transit Award. For those projects in which FTA issues a NEPA determination with detailed documentation, all necessary remediation commitments based on the results and recommendations of the ESA(s), including commitments to engage in further evaluations if the site access was restricted, will be included in FTA’s NEPA

determination. For NEPA determinations without detailed documentation, any such remediation commitments must be included in the file for the Award and in the grant or cooperative agreement. When acquiring contaminated properties, the recipient, as project sponsor, should collect as much information as possible regarding the levels of contamination on the desired site and determine an appropriate approach for remediation prior to the completion of NEPA. FTA generally will not participate in the remediation of contamination discovered during construction. (See FTA [SOP No. 19- Consideration of Contaminated Properties including Brownfields](#) for additional information.)

The results of the Phase I, II, and III ESAs, where available, and other site-specific documentation prepared by the recipient must be provided to the real estate appraiser for consideration of the effect, if any, that contamination has on the highest and best use (HBU) and the market value of the property, including what is commonly referred to in many States as a market condition known as “stigma,” in accordance with State law.

The valuation analysis of a contaminated property involves a complex economic and environmental analysis from the standpoint of HBU that requires the careful preparation of an appraisal scope of work that appropriately addresses the appraisal problem as provided in Appendix E. Due to the complexity of appraisals involving contaminated property, it is suggested to contact the appropriate FTA Regional Office for legal and technical assistance as early as possible.

A recipient must obtain an FTA environmental determination (a combined FEIS/ROD, ROD, FONSI, or CE) before any offer to purchase or other commitment is made to purchase the property or to proceed to a settlement. Further, ESA Phases I, II, and III may be required, including estimated remediation costs, before a reliable real estate appraisal of the value of the property can be completed. Such information may be required by the appraiser to determine the cost of any remediation required for the HBU or other uses, including the use anticipated for the capital transit Award. It may be necessary to obtain a right of entry or other preliminary property interest to do appropriate site assessments, if available.

Since it may be difficult for a recipient to undertake a Phase II ESA prior to land acquisition, since such a study is intrusive and requires access to the site and actual physical samples to be collected, the recipient shall consider the following limitations prior to acquiring contaminated properties:

- (a) The legal responsibility for hazardous material cleanup and disposal rests with parties within the property title chain and with parties responsible for the placement of the material on the property. Recipients must attempt to identify and seek legal recourse from those potentially responsible parties or

substantiate the basis for not seeking reimbursement for FTA review and consideration.

- (b) The estimated cost to remediate the contamination may result in a total cost of the Award that exceeds the recipient's ability to fully finance it without significant risk to the project. If the recipient and FTA determine that the recipient does not have sufficient funds to proceed with the Award, the recipient shall seek an alternate site for the Award. Any FTA assistance provided to the recipient to purchase property that is subsequently abandoned shall be either returned to FTA or credited against a future property acquisition.
- (c) FTA generally will not participate in the remediation of contamination discovered during construction, except where it has been demonstrated that appropriate environmental studies were performed, the results communicated to the appraiser prior to the appraisal, and the recommendations followed. There are two exceptions to this policy as follows:
 - i The brownfield site was previously utilized for transportation use, and the recipient or transit agency is legally responsible for all cleanup activity; or
 - ii Seeking and obtaining compensation from potentially responsible parties would involve excessive litigation and delay in completing the Award, the cost of which would likely exceed the remediation cost, and which would be contrary to the public interest.

FTA also recognizes that the recipient may not be able to quantify the extent of contamination or cost to remediate the property until the recipient obtains access to the site to conduct a Phase II or possibly Phase III ESA. In these instances, FTA will work with the recipient to develop a process for estimating the total cost of the Award, including cleanup, to ascertain whether or not the Award should continue as planned given the site conditions. FTA will consider what assurances the recipient can provide to minimize the risks associated with developing a contaminated site prior to approving an award for construction activities. Where the risks are deemed too great for the Award to bear, FTA will instruct the recipient to locate an alternate site to support the Award.

- (d) Refer to Appendix E, "Guide for Preparing an Appraisal Scope of Work" for a discussion of the valuation of contaminated property.
- (e) The recipient should contact FTA for technical assistance regarding contaminated property.

- g. Real Estate Acquisition Management Plan (RAMP). FTA requires a RAMP for each major capital project within an award as a part of the PMP under 49 CFR 633.25 and the Relocation Plan in accordance with 49 CFR 24.205. A RAMP is not required for other capital projects within an award with real estate acquisition; however, all capital projects must be in compliance with 49 CFR 24.205, if real estate acquisition or relocation assistance is involved. The RAMP is a planning document for the acquiring agency and is a control document for FTA that includes real estate goals and methodology from the perspective of timing, staffing, statutory, and policy issues.

The RAMP should be kept current and routinely reviewed by the recipient as circumstances warrant. A written relocation plan should be a part of the RAMP if there are anticipated displacements of residential occupants or businesses. The extent of the relocation plan should be commensurate with the complexity and volume of displacements. The RAMP must clearly detail how the needed real estate for the Award will be acquired. See Appendix D of this circular for a model in the development of a RAMP.

- h. Property Management. This area concerns the post-construction management of property acquired for the facility during development to ensure that it is properly maintained and operated efficiently for the benefit of the transit system.
- (1) Title. Title to Real Property is vested in the recipient or other public bodies. The recipient agrees to include a covenant in the title of the real property acquired for use under the Award that assures nondiscrimination in the use of the property.
 - (2) Use. Real property must be used for the authorized purpose as long as needed for that purpose. Recipients must not dispose of, modify the use of, or encumber its title or other interests in the federally assisted site and facilities except as provided in this circular. Easements for utility, cable, and similar services that benefit the real property and are consistent with the authorized use are not considered an encumbrance.
 - (3) Maintenance. Real property must be appropriately maintained. A description of the improvements, expansions, retrofits, and maintenance of real property must be properly documented in the facility inventory along with parcel address or location, date placed in service, and Federal percentage of cost in order to accurately determine an equitable valuation of Federal interest at the time of early disposition of the asset. Please see FTA's [TAM site](#) and the [NTD Reporting Policy Manual](#) for more information on the facility inventory.
 - (4) Idle Facilities. Recipients are required to use federally assisted property continuously and appropriately while there is a Federal interest throughout the useful life of the property. Recipients may be required to return the entire amount of Federal assistance spent on the Award of federally assisted property thereunder if, during the useful life, the recipient has unreasonably delayed or failed to use the

federally assisted property for its originally authorized purpose. Recipients are also required to notify FTA before property is removed from its originally authorized purpose. Recipients must seek concurrence from FTA regarding property not used or needed for its originally authorized purpose, including potential disposition instructions outlined later in this section.

- (5) Costs of Idle Facilities or Idle Capacity. Costs of idle facilities or idle capacity means costs such as maintenance, repair, housing, rent, and other related costs, including insurance and depreciation. The costs of idle facilities are generally unallowable except to the extent that they are necessary to meet workload requirements that may fluctuate and are allocated appropriately to all programs. Exceptions also include when it can be shown that the costs were necessary when acquired and are now idle because of changes in program requirements, efforts to achieve more economical operations, reorganization, termination, or other causes which could not have been reasonably foreseen. Costs of idle facilities may be allowable after FTA review and approval of the justification provided by the recipient for a reasonable period of time, ordinarily not to exceed one year, depending on the initiative taken to use, lease, or dispose of the facilities.
- i. Reporting on Real Property. Recipients must maintain adequate records on the status of real property in which the Federal Government retains an interest.
 - (1) Real Property Status Report. As the Federal interest in real property is indefinite until disposition, FTA requires that any recipient with FTA-assisted real property submit a Real Property Status Report to FTA every three years. These are required to be submitted with information for the Triennial or State Management Reviews. The Real Property reporting requirements apply to all FTA-assisted real property held by the recipient, regardless of the date real property was acquired or improved. Any recipient not subject to a Triennial or State Management Review should discuss the timing of the reports with the FTA Regional Office. Recipients must report on land, land improvements, and anything permanently affixed to land, such as buildings or building improvements acquired with FTA funds. Building improvements include those things attached to the buildings that, if removed, would deface the structure or integrity of the building, such as plumbing, heating fixtures, etc. A Federal interest will arise when real property is contributed in-kind to meet local match requirements and the Federal interest should be reported. FTA Federal interest may arise even if the land or original building was not acquired with FTA funding. Federal interest may also arise if improvements or renovations are made to the land or the buildings with FTA funding, in which case the recipient would only report on the items improved or renovated. Structures that may be disassembled and moved, such as bus shelters, may be considered personal property that falls under the definition of equipment and would be included in the equipment inventory rather than the Real Property Status Report. The Real Property Status Report must include the following elements, at a minimum, to the extent applicable, for each real property:

- (a) Report Date
- (b) Parcel Number
- (c) Property Address / Location
- (d) Recipient Unique Identification Number (UEI)
- (e) Date of Property Acquisition
- (f) Type of Insurance Coverage
- (g) Description of Real Property and Improvements
- (h) Minimum Useful Life of the Improvements and Years Installed
- (i) Real Property Ownership Type
- (j) Size: Acreage, Square, or Linear Units
- (k) Real Property Cost (acquisition, relocation, renovation, railroad easement cost / period of the easement)
- (l) FTA Funding Type and Share Percentage of Property and Improvement Costs
- (m) FTA Award Numbers that funded the acquisition or improvement of the property
- (n) Has a significant change occurred with the real property or is there an anticipated change in the next reporting period? If yes, describe the change.

The following apply for Real Property dispositions:

- (a) Appraised Fair Market Value
- (b) Appraisal Date
- (c) Federal Interest
- (d) Disposition Status
- (e) Identification of Reasons for Excess Property (if applicable)
- (f) Anticipated Disposition or Action Proposed (if applicable)
- (g) Date of Property Disposition (if applicable)
- (h) Sale Price and Net Proceeds (if applicable)

This inventory is necessary in order to accurately account for assets and determine an equitable valuation of Federal interest retained in the property. Real property that is disposed of during the three-year reporting cycle should be included in the next Real Property Status report and have the applicable disposition information updated in the report accordingly. The real property that has been disposed of can then be removed from the report during the next reporting period.

- (2) Requirements for Real Property No Longer Needed for the Authorized Transit Purpose. Regarding properties not used for their authorized purpose, the property inventory list must include the property location, a summary of any conditions on the title, the original acquisition cost, the Federal participation ratio, the FAIN, the appraised value and date, a brief description of improvements, the current use of the property, the anticipated disposition or action proposed, and other relevant information. Furthermore, in addition to notice to and instruction from FTA regarding excess property, the recipient's property inventory must identify and explain the reason for the excess property, such as:
- (a) The parcel, when purchased, exceeded the recipient's need (uneconomic remnant, purchased to logical boundary, part of administrative settlement, etc.);
 - (b) The property was purchased for construction staging purposes, such as access, storage, or underpinning, and construction is completed;
 - (c) The intended use of the parcel is no longer possible because of system changes, such as alignment, or amendments to the grant or cooperative agreement for the Award;
 - (d) Improvements to real property were damaged or destroyed, and therefore the property is not being used for purposes of the Award, but it is still needed for the Award. If so, the improvements may be renovated or replaced. In this case, applicable cost principles must be observed; or
 - (e) A portion of the parcel remains unused, will not be used for purposes of the Award in the foreseeable future, and can be sold or otherwise disposed of.
- j. Non-Transit Uses Of FTA-Assisted Real Property. FTA's policy is to permit recipients maximum flexibility in determining the best and most cost-effective use of federally assisted property. To this end, FTA encourages non-transit uses of real property that can raise additional revenues for the transit system or, at a reasonable cost, enhance system ridership. These non-transit uses are by one of three means: incidental use, joint development, or shared use. Additionally, a recipient of assistance may not deny reasonable access for a private intercity or charter transportation operator to federally funded public transportation facilities, including intermodal facilities, park and ride lots, and bus-only highway lanes.

- (1) Incidental Use. Recipients may use project property for uses other than its originally authorized purpose when the use qualifies as an incidental use as defined in this circular.

Real property must be used for the authorized purpose as long as needed for that purpose. Recipients must not dispose of, modify the use of, or encumber its title or other interests in the federally assisted site and facilities except as provided by FTA in this circular. Easements for utility, cable, and similar services that benefit the real property and are consistent with the authorized use are not considered an encumbrance. Except in cases of utility, ingress, and egress use, recipients shall provide 30-day notice to the FTA Regional Office in advance of the execution of third-party agreements for the incidental use of real property that will (1) encumber title to the project property, (2) exceed a term of one year, or (3) allow for the installation of real property fixtures onto project property by third parties. Such notice must include the entirety of the draft third-party agreement, including exhibits and attachments, setting forth the scope of the proposed property use. The recipient need not receive FTA's concurrence in an incidental use before proceeding. FTA's failure to protest an incidental use does not serve as concurrence that the use qualifies as an incidental use as defined in this circular. FTA continues to monitor the incidental use after the Award is closed and the recipient is required to keep an inventory of the use.

- (a) Examples of incidental use include:

- i Temporary use of transit property as a staging area for nearby construction;
- ii Allowing nearby theaters and restaurants to use transit parking spaces during the transit system's off-hours;
- iii Leasing of space in a station for a newspaper stand or coffee shop when the additional use does not interfere with the original purpose authorized in the Award; and
- iv The lease of rights over or under transit facilities or utilities associated with transit facilities (such as spare capacity in general utilities and fiber optics communications utilities) that do not impact the structural integrity of the transit facility.

- (b) Revocation. An incidental use agreement should permit revocation by the recipient.

- (c) Limits. The recipient agrees that any incidental use of federally assisted property will not exceed that permitted under applicable Federal requirements and Federal guidance. The recipient may permit non-transit public entities and private entities to incidentally use its federally assisted facilities and

equipment, including alternative fueling facilities and associated equipment, subject to considerations in the text that follows.

- (d) No- or Low-Income Use. Generally, FTA encourages incidental use as a means of supplementing transit revenues. However, no- or low-income uses are also appropriate under certain circumstances.

For example, a no- or low-income use could include other transportation or non-transportation amenities to transit riders such as a transportation operator offered queue space or loading space at an intermodal facility for the purpose of generating rides, providing a consolidated transit option for the public, and a seamless transit transfer opportunity.

A recipient may appropriately consider no- or low-income uses where, for example, the use:

- i Benefits transit, as a whole;
 - ii Expands upon the local transportation alternatives; and
 - iii Allows the public to transfer seamlessly.
- (e) Alternative Fueling Facilities. A recipient of assistance under 49 U.S.C. Chapter 53 may allow the incidental use of federally funded alternative fueling facilities and equipment by non-transit public entities and private entities if:
- i The incidental use does not interfere with the recipient's public transportation operations;
 - ii All costs related to the incidental use are fully recaptured by the recipient from the non-transit public entity or private entity;
 - iii The recipient uses revenues received from the incidental use in excess of costs for planning, capital, and operating expenses that are incurred in providing public transportation; and
 - iv Private entities pay all applicable excise taxes on fuel.
- (f) Income. Recipients should determine and justify the amount of income from incidental use, including licensing and leasing of real property interests (i.e. air rights, underground rights, partial use leases), through their independent analysis of competitive market rents and rates of return. Income received from incidental uses, including the use of air or ground rights, may be retained by the recipients (without payment to FTA) if the income is used for eligible transit capital or operating expenses. This income cannot be used as

part of the non-Federal share of the Award from which it was derived. However, it may be used as part of the non-Federal share of another FTA award.

- (g) Recapture. The recipient should recapture all the costs related to the incidental use from the non-transit public entity or private entity, including all applicable excise taxes on fuel for fueling facilities and wear and tear to capital improvements.
- (2) Joint Development. Recipients may use FTA-funded property for a joint development as provided in FTA Circular 7050.1. A joint development project is a capital project that integrally relates to, and often co-locates with commercial, residential, mixed-use, or other non-transit development within an award. Joint development may include partnerships for public or private development associated with any mode of the transit system that is being improved through new construction, renovation, or extension. Joint development may also include intermodal facilities, intercity bus and rail facilities, transit malls, or historic transportation facilities. A joint development project must satisfy the eligibility criteria of 49 U.S.C. 5302(4)(G) in order to use FTA-funded project property. See FTA Circular 7050.1C for further information and guidance.
- (3) Shared Use. Recipients may use project property for a shared use. Shared use takes place when an entity, separate from the recipient, occupies a part of a facility and pays its pro rata share of the construction, maintenance, and operation costs. Shared uses must be explicit in the application and declared at the time of award. Shared use of property requires prior FTA approval except when it involves coordinated public transit–human services transportation. Shared use awards should be clearly identified with sufficient detail provided to FTA at the time of review to determine allocable costs related to the entity for construction, as well as ongoing maintenance and operation costs. The shared use description of the Award and the entity participating in the shared use must be clearly identified before approval of the Award. The recipient must ensure satisfactory continuing control over the recipient portion of the property. See Section 3 of this chapter, below, for further information related to shared use for equipment and rolling stock.
- (a) Examples of shared use projects under an award include:
 - i A vehicle maintenance facility that services both transit rolling stock and non-transit vehicles;
 - ii A parking garage that provides parking for transit rolling stock as well as parking for non-transit uses; and
 - iii A parking garage that is constructed to provide parking for both transit patrons and the general public or for a

specific business purpose.

- (4) Reasonable Access to Public Transportation Facilities. Per 49 U.S.C. 5323(r), a recipient of assistance may not deny reasonable access for a private intercity or charter transportation operator to federally funded public transportation facilities, including intermodal facilities, park and ride lots, and bus-only highway lanes. In determining reasonable access, capacity requirements of the recipient of assistance and the extent to which access would be detrimental to existing public transportation services must be considered. This may include, for example, a review of physical constraints at the facility, scheduling and resource availability, the value of the access to the private enterprise, cost to the recipient of providing the access (including opportunity cost), and safety and security measures needed. Notwithstanding, intercity bus reasonable access to project property must comply with applicable laws and regulations. If the access is permitted as an incidental use of project property, the incidental use provisions of this circular will apply.

k. Real Estate Disposition.

- (1) Valuation of Property Pending Disposal. For properties no longer needed for transit purposes, the recipient must follow the valuation requirements of 49 CFR Part 24 and obtain an appraisal and appraisal review to ascertain the value of the property considered for disposal. A Federal interest may exist in land, improvements, or both. Appraisals developed for disposition purposes are required to appraise the value of the land separate from the value of the improvements and these two values must be stated in the Appraisal Report. To determine the remaining Federal interest in the federally assisted property, the appraiser shall separately state the fair market value of the entire property and the value of the land plus the depreciated value of the improvements on the land. The greater of these two values should be used to calculate the remaining Federal interest in the property.

FTA recognizes that exceptional circumstances may require the recipient to use another method of valuation to determine the fair market value of real property that is withdrawn from service. Under exceptional circumstances, the recipient may request permission to use another reasonable valuation method including, but not limited to accelerated depreciation, comparable sales, or established market values.

Approval of an exceptional circumstance will necessitate FTA consideration of the action the recipient took, any omission the recipient made, or any unfortunate occurrence the recipient suffered.

For those situations where the existing improvements do not contribute to the HBU of the site valuation, recipients should use an accounting approach to ascertain the remaining economic life and value of the improvements rather than an appraisal valuation approach. Contact the FTA Regional or Metropolitan Office for further information.

-
- (2) Disposition Methods. When real property is no longer needed for any transit purpose, the recipient will request disposition instructions from FTA. Dispositions must be completed in a manner consistent with the requirements set forth in 2 CFR 200.311. If the property has never been used for the purposes of the Award, FTA may require the recipient to repay FTA the greater of FTA's share of the fair market value or the entire amount of Federal assistance spent on that property. The allowable disposition methods are outlined below.
- (a) Sell and Reimburse FTA. FTA does not require the recipient to engage in specific sales procedures. However, the recipient shall follow established sales procedures that provide for competition to the extent practicable and result in the highest possible return. The amount due to FTA will be calculated by applying FTA's percentage of participation in the original purchase and cost of any improvements to the proceeds of the sale after deduction of any actual and reasonable selling and repair expenses.
 - (b) Offset. Sell the property and apply the net proceeds from the sale to the cost of replacement property under the same program. FTA's interest in the sale proceeds will carry through to the replacement property. Return any excess proceeds to FTA in accordance with the procedures above.
 - (c) Sell and Use Proceeds for Other Capital Projects Under an Award. Sell the property and use the proceeds to reduce the gross cost of another FTA eligible capital transit project under an award (see 49 U.S.C. 5334(h)(4)). The recipient is expected to record the receipt of the proceeds in the recipient's accounting system, showing that the funds are restricted for use in a subsequent capital project, and reduce the amount of those restricted funds as those proceeds are applied to one or more FTA-approved capital projects under awards. FTA must approve the application of the proceeds to a subsequent capital award, which should clearly show that the gross cost of the Award has been reduced with proceeds from the earlier transaction.
 - (d) Sell and Keep Proceeds in an Open Award. If the Award is still open, the recipient may sell the excess property and apply the proceeds to the original cost of the total real property purchased for that award. This may reduce the Federal share of the Award.
 - (e) Transfer to Local Governmental Authority for Non-transit Use. A recipient may transfer assets to a local governmental authority to be used for a public purpose with no further obligation to FTA if, upon the written approval of FTA, FTA determines that the transfer complies with 49 U.S.C. 5334(h)(1)(A) as follows:
 - i The asset will remain in public use for at least five years after the date the asset is transferred;

-
- ii There is no purpose eligible for assistance under 49 U.S.C. Chapter 53 for which the asset should be used;
 - iii The overall benefit of allowing the transfer is greater than the interest of the Government in liquidation and return of the financial interest of the Government in the asset, after considering fair market value and other factors; and
 - iv Through an appropriate screening or survey process (usually by following procedures for publication in the Federal Register), that there is no interest in acquiring the asset for Government use if the asset is a facility or land.
- (f) Transfer to Another Award. Transfer the property to another FTA-eligible award. The Federal interest continues.
- (g) Retain Title with Buyout. Compensate FTA by computing the percentage of FTA participation in the original cost. Multiply the current fair market value of the property by this percentage. The recipient must document the basis for value determination; typically, this documentation is an appraisal. Alternatively, the recipient may pay FTA the straight-line depreciated value of improvements plus land value if this is greater than FTA's share of the fair market value.
- (h) Disposition of Real Property Acquired for Construction. The end of the period of performance can trigger occasions when real property acquired under an FTA award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency. As part of the closeout process, it is necessary to document the property acquired or improved in support of the Award as noted above. In this documentation, the recipient must account for property rights used exclusively for construction that the recipients propose to use perpetually for additional or substitute transit activities, such as joint development. Recipients should seek disposition instructions from FTA when property is no longer needed to carry out any transit purpose.
- (i) Transfer for Affordable Housing as part of Transit Oriented Development. Under 49 U.S.C. 5334(h)(1)(B), the recipient may transfer assets to local governmental authorities, nonprofit organizations, or other third-party entities for the use of TOD that includes affordable housing with no obligation to reimburse FTA for the Federal interest if, upon FTA's written approval, FTA determines:
- i The asset is a necessary component of a proposed TOD project;
 - ii The TOD project will increase transit ridership;

-
- iii At least 40 percent of the housing units offered in the TOD, including housing units owned by nongovernmental entities, are legally binding affordability restricted to tenants with incomes at or below 60 percent of the area median income and owners with incomes at or below 60 percent the area median income, which shall include at least 20 percent of such housing units offered restricted to tenants with incomes at or below 30 percent of the area median income and owners with incomes at or below 30 percent of the area median income;
 - iv The asset will remain in use as described in this section for at least 30 years after the date the asset is transferred; and
 - v With respect to a transfer to a third-party entity:
 - a A local government authority or nonprofit organization is unable to receive the property;
 - b The overall benefit of allowing the transfer is greater than the interest of the Government in liquidation and return of the financial interest of the Government in the asset, after considering fair market value and other factors; and
 - c The third party has demonstrated a satisfactory history of construction or operating an affordable housing development.

An “asset” for the purposes of this paragraph must be “real property,” as defined in 2 CFR 200.1. An asset is a “necessary component” of a proposed TOD if the proposed TOD project would not proceed without the asset or would be significantly smaller in scope.

To dispose of the FTA-funded property without further obligation to FTA under this provision, 20 percent of the TOD project’s total floor area ratio (FAR) must be dedicated to affordable housing.

The TOD project must demonstrate an increase in transit ridership by meeting the 20 percent total FAR for affordable housing.

At least 40 percent of housing units must be reserved for tenants with incomes at or below 60 percent AMI. Of those units, 20 percent, or 8 percent of the total housing units, must be restricted at 30 percent AMI. Note: this requirement is separate from the above requirement that 20 percent of the development’s FAR must be dedicated to affordable housing. In addition, FTA recommends that at least 50 percent of the TOD’s FAR is dedicated to housing or other community benefits (e.g., community centers, educational or other community-serving uses such as libraries, childcare, public health, or workforce development centers).

A “third-party entity” includes private developers, companies, or organizations with a demonstrated satisfactory history of construction or operation of affordable housing development. It would not include a local government authority or nonprofit organization. Special purpose entities created for the purpose of utilizing low-income housing tax credits will be treated as nonprofit organizations, rather than third-party entities, if the nonprofit organization demonstrates that it retains control rights over the project. Sufficient control may be satisfied by any of the following:

- A fee simple interest in the project property;
- Ownership of 51 percent or more of the general partner interests in a limited partnership or 51 percent or more of the managing member interests in a limited liability company with all powers of the general partner or managing member;
- Ownership of a lesser percentage of the general partner or managing member interests but holding control rights; or
- Ownership of 51 percent or more of all ownership interests in a limited partnership or limited liability company and holding certain control rights.

“Control rights,” as referenced above include control over leasing of the project (e.g., exclusively maintaining and administering the waiting list, performing eligibility determinations) and consent rights over certain areas, such as changing the number of affordable housing units, setting utility allowances the management agent, or setting the operating budget.

If the FTA recipient proposes to transfer the asset to another third-party entity, the recipient must attest, in writing, that a local government authority or nonprofit organization is unable to receive the property per 49 U.S.C. 5334(h)(1)(B)(v)(I). The attestation should be supported with a description of the recipient’s efforts supporting this representation. As part of its request to the FTA Regional Office, recipients should include information on a third party’s past affordable housing projects sufficient to demonstrate a likelihood of success for the TOD proposed (e.g., project delivered on time, within budget, occupancy rates, etc.).

FTA will assess whether the overall benefit of allowing the transfer to a third-party entity is greater than the Government’s interest is liquidation by considering the fair market value of the asset, amongst other factors such as local/regional economic development activity. However, FTA will not prescribe specific studies or analyses, nor determine who is responsible for developing them. A baseline market analysis is not required, but it can help recipients who wish to transfer assets under this provision identify the following information:

- Fair market value of any FTA-assisted property or assets to be transferred consistent with this circular;
- The percentage of the value of the assisted property compared to the cost of the overall TOD project;
- Expected transit ridership increase;
- Expected amount of revenue generated by the project to be provided for public transportation purposes, if applicable;
- Expected amount of housing generated by the project and housing needs in the region/area;
- The potential social benefits of providing additional affordable housing;
- Existing conditions of the project property;
- General economic and market conditions of the region/area;
- Current and planned economic development activity for the region/area; and
- Development risks and benefits.

Recipients are responsible for ensuring compliance with the affordable housing requirements. If an asset is transferred under this provision and the recipient falls out of compliance with the legal criteria set out above within the 30-year agreement, FTA will require the recipient to compensate FTA a percentage of the fair market value of the asset at the time of transfer or at the time of noncompliance, whichever is greater. Recipients are responsible for ensuring compliance with the affordable housing requirements. The percentage owed will be based on the Federal contribution to the original acquisition and the number of years that the asset was used for TOD and affordable housing in accordance with the statute. If the circumstances and time frame allow for the asset to be returned to the original FTA recipient for transit use without significant difficulty or added expense, the parties may also arrange for a return of the asset.

3. EQUIPMENT AND SUPPLIES (INCLUDING ROLLING STOCK). Management standards apply to equipment and supplies purchased with Federal assistance. The term “federally assisted property,” as used in this section, includes equipment, rolling stock, and supplies. Rolling stock describes equipment that is used to transport passengers and includes buses, vans, cars, railcars, locomotives, trolley cars, trolleybuses, ferryboats, and vehicles used for guideways and inclined planes. Light-duty vehicles employed to transport passengers are considered rolling stock. Light-duty vehicles, such as vans, sedans, and pick-up trucks, employed in administrative and maintenance purposes are considered equipment. The following requirements are for the acquisition, use, management, and disposition of federally assisted property:
 - a. Award Recipient Requirements. When FTA provides Federal assistance funding, the organization that receives these funds directly is the direct or primary recipient. If an award contains subawards, the Direct Recipient provides funds via subawards to

organizations called subrecipients. The primary recipient is responsible for the administration of the financial assistance award funds, as well as the subawards and ensuring requirements are passed down to the subrecipients. FTA grant programs have a variety of recipients and subrecipients. Because of the nature of some awards, a recipient may be a primary recipient in one and a subrecipient in others.

The Uniform Guidance provides that a State will use, manage, and dispose of federally assisted property acquired under an award by the State in accordance with State laws and procedures, 2 CFR 200.313(b). Subrecipients of States shall follow policies and procedures allowed by the State with respect to the use, management, and disposal of federally assisted property per 2 CFR 1201.313. There are statutory exceptions, however, specific to FTA funding. The Uniform Guidance also provides that recipients other than States must follow FTA requirements and procedures outlined below.

- b. Property Title. Title to federally assisted property acquired under an award is vested in the recipient. The title must be a conditional title, subject to the following conditions:
 - (1) Federally assisted property must be used for authorized purposes of the project during the useful life of the asset or until no longer needed for the purposes of the project;
 - (2) The recipient must not dispose of or encumber title to the property without prior approval from FTA or the pass-through entity; and
 - (3) The property must be used and disposed of in accordance with the requirements located in this chapter, as well as 2 CFR 200.313 for equipment (including rolling stock), and 2 CFR 200.314 for supplies.
- c. Federal Interest. FTA retains a Federal interest in any federally assisted property financed with FTA assistance until, and to the extent that, FTA relinquishes its Federal interest in that federally assisted property. This applies to real property, equipment, and supplies.
- d. Acquisition. The acquisition cost of federally assisted property means the purchase price of the property acquired for this Award. This is the net invoice unit price, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the federally assisted property usable for the intended purpose. Other charges such as the cost of inspection, installation, transportation, taxes, duty, or protective in-transit insurance should be treated in accordance with the recipient's regular accounting practices as separate line items. Recipients must follow the procurement procedures set forth in the Uniform Requirements. FTA provides guidance for complying with Federal procurement standards in FTA Circular 4220.1F.
- e. Use of Federally Assisted Property. The recipient must use federally assisted property for the purpose for which it was acquired as long as needed, whether or not the Award continues to be supported with Federal assistance. Recipients must not encumber

property except as provided in this circular. Recipients must immediately notify FTA when changing the use of their federally assisted property or withdrawing that property from use whether by planned withdrawal, misuse, or casualty loss. When the need for federally assisted property no longer exists, see disposition requirements in Chapter IV, Section 3.q, "Disposition of Equipment and Supplies."

- f. Continuing Control. The recipient agrees to maintain continuing control of the use of federally assisted property and constructed improvements to the extent satisfactory to FTA. The recipient agrees to use federally assisted property for appropriate purposes continuously for the duration of the useful life of that property, as required by FTA. If the recipient unreasonably delays or fails to use its federally assisted property during the useful life of that property, the recipient agrees that it may be required to return the entire amount of the Federal assistance expended on that property to FTA. The recipient further agrees to notify FTA immediately when any federally assisted property is withdrawn from use under the Award or when any federally assisted property is used in a manner substantially different from the representations the recipient made in the grant or cooperative agreement for the Award.

The recipient may make federally assisted property available for use in other awards currently or previously supported by the Federal Government, provided such use will not interfere with the work on the Award for which it was originally acquired. First preference must be given to other awards supported by FTA; and second preference must be given to programs or projects of other Federal agencies. Use for non-federally assisted programs or projects is permissible in some cases, as described in the discussion of incidental use in this chapter.

For awards made prior to December 26, 2014, the recipient must not use property acquired with Federal assistance to provide services to compete unfairly with private companies that provide equivalent services (see 49 CFR 18.32(c)(3)).

For awards made on or after December 26, 2014, the recipient must not use equipment acquired with the Federal award to provide services for a fee that is less than the amount private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal Government retains an interest in the equipment (2 CFR 200.313(c)(3)). Non-transit use of FTA-assisted property is acceptable so long as it is incidental, does not interfere with transit use (transit has priority), and income generated is retained by the recipient for transit use. Recipient's provision of charter service or school bus transportation is restricted under 49 U.S.C. 5323(d) and (f). Refer to FTA's Charter Service regulation located at 49 CFR Part 604 and the School Bus Operations regulation located at 2 CFR Part 605.

The recipient agrees that it will not execute any transfer of title, lease, lien, pledge, mortgage, encumbrance, third-party contract, subagreement, grant anticipation note, alienation, innovative finance arrangement, or any other obligation pertaining to the

federally assisted property that in any way would affect the continuing Federal interest in the use of that federally assisted property, except as explicitly authorized in this circular.

- g. Shared Use. Recipients may allow third parties' use of equipment and rolling stock as a shared use. Shared use takes place when an entity, separate from the recipient, shares equipment (including rolling stock) and pays its pro rata share of the equipment acquisition, maintenance, and operation costs as set forth within a grant application. Shared use of federally assisted property requires prior FTA approval except when it involves coordinated public transit–human services transportation. Recipients should clearly identify shared use projects with sufficient detail within the application to determine the portion of allocable costs for the acquisition of equipment (including rolling stock) for the shared use, as well as ongoing maintenance and operation costs. See Section 2 of this chapter, above, for further information related to shared use for real property.

An example of shared use projects under an award could include a shared vehicle used by a non-profit organization to transport people with disabilities to recreational centers on weekdays and a different non-profit organization that delivers meals to senior centers on the weekends.

- h. Incidental Use. Similar to the case of real property, recipients may use project equipment, including rolling stock, for uses other than its originally authorized purpose when the use qualifies as an incidental use as defined in this circular. Recipients shall notify the FTA Regional Office in advance for such incidental uses. FTA may request to review a draft third-party agreement setting forth the scope of the proposed property use. FTA's failure to protest an incidental use does not serve as concurrence that the use qualifies as an incidental use as defined in this circular. FTA continues to monitor the incidental use after the Award is closed and the recipient is required to keep a record of the use. FTA may review the record during the Triennial or State Management Review process.

Examples of incidental use include:

- (1) Temporary vehicle use by another entity during off-hours to transport meals from food distribution sites to senior centers;
- (2) Temporary lease of equipment by another entity during the transit system's holidays; and
- (3) An FTA-funded vehicle operated by a transit provider during peak hours but is under a 9-month use agreement with a local non-profit organization to provide healthy meals to children in low-income areas during lunch hours.

When equipment is subject to incidental use, recipients must ensure:

- (1) The use complies with 2 CFR 200.313;

- (2) The incidental use does not interfere with the recipient's project or public transportation operations;
- (3) The recipient fully recaptures all costs related to the incidental use from the non-transit public entity or private entity, including all applicable excise taxes on fuel for fueling facilities and wear and tear to capital assets;
- (4) The recipient uses revenues received from the incidental use for capital and/or operating expenses that were or will be incurred to provide the public transportation and otherwise complies with 2 CFR 200.307; and
- (5) Private entities pay all applicable excise taxes on fuel.

Per 49 U.S.C. 5323(p), a recipient of assistance under 49 U.S.C. Chapter 53 may allow the incidental use of federally funded alternative fueling facilities and equipment by non-transit public entities and private entities if the above conditions are met.

- i. Delay or Failure to Use Federally Assisted Property. Recipients are required to use federally assisted property continuously and appropriately throughout the useful life of the property. Recipients may be required to return the entire amount of Federal assistance spent on federally assisted property if, during its useful life, the recipient has unreasonably delayed or failed to use the federally assisted property. Recipients are also required to notify FTA before property is removed from the transit service that was originally intended at the time of the Award and if property is put to additional or substitute uses.
- j. Minimum Useful Life of Federally Assisted Property. FTA provides a minimum useful life policy for capital rolling stock, trolleys, ferries, and facilities in this circular. If property is prematurely withdrawn from service, FTA must be immediately notified (See "Disposition or Inappropriate Use Before the End of the Asset's Useful Life" in Section 3.q.(4) of this chapter.).
- k. Determining Minimum Useful Life for Federally Assisted Property. The recipient should identify the method used to determine the minimum useful life. Acceptable methods to determine minimum useful life include, but are not limited to:
 - (1) GAAP;
 - (2) Independent evaluation;
 - (3) Manufacturer's estimated useful life;
 - (4) Internal Revenue Service guidelines;
 - (5) Industry standards;
 - (6) Recipient experience;

- (7) The recipient’s independent auditor who needs to provide their concurrence that the useful life assigned to the property is reasonable for depreciation purposes; and
- (8) Proven useful life developed at a Federal test facility.

1. FTA Minimum Useful Life Policy for Rolling Stock. The minimum useful life of rolling stock, including ferries, begins on the date the vehicle is placed in revenue service and continues until it is removed from revenue service. The minimum useful life in years refers to total time in transit revenue service, not time spent stockpiled or otherwise unavailable for regular transit use. The minimum useful life in miles refers to total miles in transit revenue service. Non-revenue miles and periods of extended removal from service do not count toward useful life. Changes in operating circumstances, including unforeseen difficulty maintaining vehicles, higher cost of fuel, and changes in local law limiting where vehicles can be operated do not excuse minimum useful life requirements.

Recipients of Federal assistance should specify the expected minimum useful life in invitations for bids when acquiring new vehicles. The minimum useful life is an FTA-determined expected life cycle for capital assets under FTA awards and is distinguishable from the Useful Life Benchmark, which is a TAM requirement used in performance measurement (see also 49 CFR 625.5). Minimum useful life is determined by years of service or accumulation of miles—whichever comes first—by asset type, as follows:

| <u>Property Type</u> | <u>Minimum Useful Life</u> |
|--|---|
| <u>Buses</u> | |
| Large, heavy-duty transit buses including over-the-road buses (approximately 35' to 40' or larger including articulated buses) | At least 12 years of service or an accumulation of at least 500,000 miles |
| Small size, heavy-duty transit buses | At least 10 years or an accumulation of at least 350,000 miles |
| Medium-size, medium-duty transit buses | At least 7 years or an accumulation of at least 200,000 miles |
| Medium-size, light-duty transit buses | At least 5 years or an accumulation of at least 150,000 miles |
| <u>Light-Duty Vehicles</u> | |
| Light-duty vehicles used as equipment, employed in administrative and maintenance purposes (service vehicles) and to transport passengers (revenue service), such as regular and specialized vans, sedans, and light-duty buses, including all bus models exempt from testing in the current 49 CFR Part 665 | At least 4 years or an accumulation of at least 100,000 miles |

| <u>Property Type</u> | <u>Minimum Useful Life</u> |
|--|--|
| <u>Trolleys</u> | |
| <p>The term “trolley” is often applied to a wide variety of vehicles. Thus, the useful life depends on the type of trolley. FTA classifies trolleys and the suggested useful life as described below. For disposition actions, FTA will use the following minimum useful life determinations:</p> | |
| A fixed guideway steel-wheeled “trolley” (streetcar or other light rail vehicle) | At least 25 years |
| A fixed guideway electric trolleybus with rubber tires obtaining power from overhead catenary | At least 15 years |
| Simulated trolleys, with rubber tires and internal combustion engine (often termed “trolley-replica buses”) | Please refer to bus useful life criteria above |
| <u>Rail Vehicles</u> | |
| At time of application, the recipient may propose an alternative useful life to be reviewed by FTA. A recipient that regularly measures life span by hours of operations, or by any other measure, may develop an appropriate methodology for converting its system to years of service. The reasonableness of such methodologies will be subject to examination, particularly if the recipient proposes to retire a rail vehicle before reaching FTA’s useful life. | At least 25 years |
| <u>Ferries</u> | |
| <p>The useful life of a ferry depends on several factors, including the type and use of the ferry. FTA recommends using one of the methods outlined in Chapter IV or offers the following suggested minimum service lives:</p> | |
| Passenger Ferries | At least 25 years |
| Other Ferries (without overhaul) | At least 30 years |
| Other Ferries (with overhaul) | At least 60 years |
| <u>Facilities</u> | |
| <p>Determining the useful life of a facility must take into consideration such factors as the type of construction, nature of the equipment used, historical usage patterns, and technological developments.</p> | |
| Based on any of the methods identified above in Chapter IV, a railroad or highway structure | At least 50 years |

| <u>Property Type</u> | <u>Minimum Useful Life</u> |
|---|----------------------------|
| Most other buildings and facilities (concrete, steel, and frame construction) | At least 40 years |

m. Rolling Stock Rebuilding Policies. FTA laws, regulations, policies, and procedures permit the use of capital assistance for vehicle rebuilding programs that meet the vehicle requirements in the Federal Motor Vehicle Safety Standards (49 CFR Part 571) and the Americans with Disabilities Act Accessibility Specifications for Transportation Vehicles (49 CFR Part 38). The requirements are summarized below:

- (1) Buses to be rebuilt must be at the end of their minimum useful life and in need of major structural and/or mechanical rebuilding. The age of the bus to be rebuilt is its years of service at the time the rebuilding begins. The eligibility of this major capital bus rebuild work is in addition to the eligibility of vehicle overhauls as described in the “Rolling Stock Overhauls” subparagraph below. Recipients should contact the FTA Regional or Metropolitan Office to determine the extent to which the useful life of the bus is affected by the rebuild. The minimum extension of useful life is four years, or miles equivalent to four years.

With prior approval, FTA may permit the recipient to rebuild a vehicle that has not yet met its minimum useful life. In such circumstances, the minimum useful life of the rebuilt vehicle for a 12-year bus is the remaining useful life of the vehicle at time of rebuild plus four years, or miles equivalent to four years (e.g., for a 12-year bus rebuilt at 11 years, the remaining useful life would be five years).

- (2) Railcars to be rebuilt must have reached the end of their minimum useful life (end-of-life rebuild). The minimum extension of useful life is 10 years. The eligibility of this major capital rail rebuild work is in addition to the eligibility for vehicle overhauls, as described in the “Rolling Stock Overhauls” subparagraph below.

With prior approval, FTA may permit the recipient to rebuild a railcar that has not yet met minimum useful life. In such circumstances, the minimum useful life of the rebuilt railcar is the remaining useful life in the railcar at time of rebuild plus 10 years (e.g., for a 25-year railcar rebuilt at 24 years, the remaining useful life would be 11 years).

Depending upon the extent of rebuilding planned, the rebuild may require the railcar to be brought into compliance with ADA requirements under 49 CFR 37.83 or 37.89.

- (3) Rolling Stock Overhauls. Rolling stock overhauls are an eligible capital expense as preventive maintenance. This eligibility for capital assistance applies also to rolling stock that has been leased or acquired by a contractor, and to contracted service. Overhauls are usually done to make sure rolling stock reaches its useful life. Overhaul does not extend the useful life of rolling stock. This eligibility is in

addition to eligibility of rebuilding specifically discussed above in Chapter IV, Section 3.1.(1). For rolling stock to be overhauled, it must have accumulated at least 40 percent of its useful life.

- (4) Rolling Stock Repowering. Rolling stock repowering involves replacing a vehicle's propulsion system with a propulsion system of a different type (e.g., replacing a diesel engine with an electric battery propulsion system). Rolling stock repowering is permitted for buses that have met at least 40 percent of their useful life, in which case it must be designed to permit the bus to meet its useful life requirements or as part of a rebuild, in which case it must extend the useful life by at least four years, or an additional 125,000 miles.
- (5) Previously Owned Vehicles (Including Remanufactured Vehicles). Previously owned and remanufactured vehicles must meet the following requirements:
 - (a) Procurement. The recipient must identify in the procurement their intent to purchase previously owned and/or remanufactured vehicles. As part of the bid or proposal the recipient must obtain certification and documentation ascertaining that applicable bus testing and Buy America requirements have been met by the original owner or remanufacturer.
 - (b) Useful Life. The grant application and procurement of a previously owned vehicle must identify the applicable useful life for the vehicle.
 - (c) Bus Testing. The original vehicles must have met the bus testing requirements in place at the time of acquisition by the original owner.
 - (d) Buy America. The original vehicles must have met the Buy America requirements in place at the time of acquisition by the original owner. Remanufactured vehicles must meet the applicable Buy America requirements for rolling stock for all new components and subcomponents added or replaced on the vehicle. According to FTA's policy on the implementation of the phased increase in domestic content for rolling stock, "the domestic content in effect at the time the vehicle was delivered will apply to any future contracts for overhaul, rebuild, or remanufacturing projects, limited to the parties on the original contract" ([81 Fed. Reg. 60,278 \(Sept. 1, 2016\)](#)).
 - (e) DBE Requirements. When a remanufacturer responds to a solicitation for new or remanufactured vehicles with a vehicle that has post-production alterations or retrofitting to provide a "like new" vehicle, the remanufacturer is considered a TVM and must comply with the DOT DBE regulations.
- n. Rolling Stock Spare Ratio Policies. The Uniform Guidance requires equipment to be used for its intended purpose or to follow appropriate disposition requirements (2 CFR 300.313). The regulation also requires recipients and subrecipients to avoid

acquisition of unnecessary or duplicative items (2 CFR 200.318). FTA recognizes that public transportation operations require both spare and, in some cases, contingency fleets and has established spare ratio and contingency fleet policies that permit public transportation vehicles in those categories to be considered in public transportation use. Spare ratios will be taken into account in the review of an award proposed to replace, rebuild, or acquire additional vehicles. Spare ratio is defined as the total number of spare vehicles available for fixed-route service (regardless of type) divided by the total number of fixed-route vehicles required for annual maximum service (regardless of type). Spare ratio is usually expressed as a percentage, e.g., 100 vehicles required for maximum fixed-route service and 20 spare vehicles (for a total of 120 vehicles) is a 20 percent spare ratio. Spare ratios are calculated for the transit system as a whole, not by vehicle type.

For purposes of the spare ratio calculation, “vehicles operated in maximum fixed-route service” is defined as the total number of revenue vehicles operated to meet the annual maximum service requirement. This is the revenue vehicle count during the peak week, day, and hours that maximum service is provided. It excludes atypical days and special events.

- (1) Bus Fleet. The basis for determining a reasonable spare bus ratio takes local circumstances into account. The number of spare buses in the active fleet for transit providers operating 50 or more fixed-route revenue vehicles should not exceed 20 percent of the number of vehicles operated in maximum fixed-route service. For recipients that manage awards for subrecipients, this maximum spare ratio is based on the fleet size of each unique operator. FTA does not set a specific spare ratio for operators with fewer than 50 vehicles operated in maximum fixed-route service but expects the number of spare buses to be reasonable, taking into account the number of vehicles and variety of vehicle types and sizes.

Buses delivered for future expansion and buses that have been replaced, but are in the process of being disposed of, are not included in the calculation of spare ratio.

For each application identified to acquire vehicles, the applicant should address the subjects of current spare ratio, the spare ratio anticipated at the time the new vehicles are introduced into service, disposition of vehicles to be replaced, including information on age and mileage, and the applicant’s conformance with FTA’s spare ratio guideline. An applicant is required to notify FTA if the spare ratio computation on which the application is based is significantly altered before the Award is made.

- (2) Rail Fleet. Because rail transit operations tend to be highly specialized, FTA has not established a specific number to serve as an acceptable spare ratio for rail transit operations. Nevertheless, rail operators should be aware that the recipient’s rail vehicle spare ratio and the rationale underlying that spare ratio will be examined during the Triennial Review whenever FTA assistance is used to purchase or rebuild rail vehicles.

The following guidance should be used to support an operator's proposed rail vehicle spare ratio when the spare ratio is under review by FTA:

- (a) An operator of a rail system should have in its file available upon request by FTA a Rail Fleet Management Plan that addresses operating policies (level of service requirements; train failure definitions, and actions); peak vehicle requirements (service period and make-up, e.g., standby trains); maintenance and overhaul programs (scheduled, unscheduled, and overhaul); system and service expansions; railcar procurements and related schedules; and spare ratio justifications.
 - (b) The spare ratio justification should consider the average number of railcars out of service for scheduled maintenance, the unscheduled maintenance and overhaul program, the allowance for ridership variation (historical data), ridership changes that affect railcar needs caused by expansion of the system or services, the contingency for destroyed railcars, and railcar procurements for replacements and system expansions.
 - (c) Railcars delivered for future expansion and railcars that have been replaced, but are in the process of being disposed of, should not be included in the calculation of spare ratio.
 - (d) Peak Vehicle Requirements include "standby" trains that are scheduled, ready for service, and have a designated crew.
 - (e) Factors that may influence spare ratios are the type of equipment (locomotive hauled trains; married pair units or single railcars, equipment design, reliability, and age), environmental conditions (weather, above ground or underground operation, loading and track layout), operational policies (standby trains, load factors, headways), maintenance policies (conditions for removing railcars from service, maintenance during nights and weekends, and labor agreement conditions), maintenance facilities, and staff capabilities.
- (3) Spare Ratio Deviation. Recipients or subrecipients of buses recently procured may temporarily exceed their spare ratio thresholds. In those cases, recipients may seek a short-term deviation from the spare ratio requirements. Recipients should prepare a brief justification explaining the reason for the deviation, a date by which the fleet spare ratio will come into compliance with the general requirements, and the recipient's plans to come into compliance. The deviation will generally be granted for no more than two years and must be approved by the Regional Administrator, either in writing or by approval of the Award.

Recipients must promptly inform the FTA Regional Office of any significant changes related to spare ratios, including plans for disposition or acquisition of vehicles and changes in vehicle needs.

- (4) Contingency Fleet. FTA recognizes two types of vehicles: active and contingency. Revenue rolling stock stockpiled in a contingency fleet in preparation for emergencies must have met their minimum useful life requirements and must be properly stored, maintained, and documented in a contingency plan. FTA will also permit agencies to include vehicles that have met their minimum useful life in their contingency fleet if an agency is introducing zero emission vehicles into its fleet. These vehicles are not included in the calculation of spare ratio. Contingency plans are subject to review during Triennial Reviews and other FTA oversight reviews. Any rolling stock not supported by a contingency plan will be considered part of the active fleet.

Contingency fleet means inactive rolling stock reserved or retained for emergencies or other unforeseen and justified activities. These activities could include the evacuation of people during an emergency, use as crowd control or traffic barriers, loaners to other transit agencies during a justified need, temporary replacements for buses in the active fleet during major active fleet overhauls, or bus maintenance activities and other activities that take a portion of the active fleet temporarily out of service.

The recipient should keep a record of information that demonstrates the need for the contingency fleet activation, the justification for activation, and the period of time of activation. The Contingency Fleet Plan should demonstrate that the bus has met its useful life by identifying the year the bus was placed in service, the year and mileage when removed from service, and the useful life of the bus in years and miles. The plan should identify where the buses will be stored and how they will be protected. It should list the maintenance activities performed on the bus to ensure they maintain their contingency bus fleet status.

A contingency fleet is separate from the spare fleet and is not included in the spare ratio.

o. Leases.

- (1) Capital Lease. A lease may qualify for capital assistance if it meets the following criteria:
- (a) The capital asset to be acquired by lease is eligible for capital assistance; and
 - (b) There is or will be no existing Federal interest in the capital asset as of the date the lease will take effect.

FTA and standard accounting rules distinguish between operating and capital leases. A capital lease is a transaction whereby the recipient acquires the right to use a capital asset. A recipient does not have direct capital responsibility if the following is true:

- They do not own the asset;
- They are not responsible for replacing, overhauling, refurbishing, or conducting major repairs on that asset; and
- The costs of those activities are not itemized as a capital line item in the budget.

Recipients are required to list these assets as third-party items in the TAM Plan. A capital lease has the following attributes:

- (a) The lease cannot be cancelled; and
- (b) Any one of the following is true:
 - The term of the lease is equal to or greater than 75 percent of the useful life of the asset;
 - The recipient will become the owner of the asset at the end of the lease term;
 - The lease contains an option to purchase the leased property at a bargain price; or
 - The present value of the rent is equal to 90 percent of the value of the property.

If a lease does not have these characteristics, it is an operating lease. Operating leases are eligible for Federal financial assistance only when the financial assistance may be expended for operating expenses. With regard to the TAM Plan, if the agreements are limited to operations functions and do not reference replacing, overhauling, refurbishing, or major repairs, then no condition assessment is required. If the agreements do refer to the highlighted tasks, then the assets should be listed on the inventory, but again, no condition assessment is required.

For the purposes of this distinction, it is irrelevant as to whether the lease qualifies as a tax-exempt municipal lease in which the private lender holding the lease would not pay income taxes on the interest earned from the lease payments received.

- (2) Capital Leases under Section 3019(c) of the FAST Act. Section 3019 of the FAST Act established an Innovative Procurement Program, of which one purpose is to establish new conditions pertaining to the leasing of “rolling stock or related equipment.” For purposes of Section 3019(c), a capital lease is defined as any agreement in which a recipient acquires the right to use rolling stock or related equipment for a specified period of time, in exchange for a periodic payment. Therefore, Section 3019 provisions are limited to leases of rolling stock or related equipment.

Eligible lease costs of rolling stock or related equipment include the costs of the rolling stock or related equipment; associated financing costs, including interest, legal fees, and financial advisor fees; ancillary costs, such as delivery and

installation charges; and maintenance costs. A capital lease may also require that the lessor provide maintenance of the rolling stock or related equipment covered by the lease. The purchase calculation should include an estimate of residual value.

- (a) Removable power sources for zero emission vehicles may be acquired separately as capital leases.
- (b) Based on standard FTA award management guidelines, recipients must maintain an inventory of assets acquired through capital leasing and must maintain the lease liability in their accounting records.
- (c) Terms. A recipient shall negotiate the terms of any lease agreement that the recipient enters into.
- (d) Applicability of Procurement Requirements.
 - i Lease Requirements. The recipient should perform an analysis between leasing and purchasing to determine the most economical approach. 2 CFR 200.318(d).
 - ii Buy America. The requirements under Section 5323(j) of title 49 U.S.C., shall apply to a capital lease.
 - iii Removable power sources are subject to the simplified acquisition procedures in 2 CFR 200.320, “Methods of procurement to be followed.” Those leases, even those over the simplified acquisition threshold (currently \$250,000), may use small purchase procedures.
- (e) Lease Reporting Requirements. Not later than three years after the date in which a recipient enters into a capital lease for rolling stock, the recipient must submit a report in TrAMS that contains:
 - i An evaluation of the overall costs and benefits of leasing rolling stock, (including both the base and option years); and
 - ii A comparison of the expected short-term and long-term maintenance costs of leasing versus buying rolling stock.
- (3) The Recipient as Lessor. In all instances in which the recipient is a lessor (the party leasing an asset to another), the recipient must obtain FTA’s written concurrence before leasing federally assisted assets to others. In addition, for equipment leasing, recipients must comply with FTA’s Charter Service regulations, School Bus Operations regulations, and with requirements below:
 - (a) Leasing FTA-assisted Assets to Others for Transit Service. The recipient may enter into a contract for leasing its federally assisted property to a private

operator (the lessee). The lease must be subject to and incorporate by reference the terms and conditions of the grant or cooperative agreement. Under this arrangement, the recipient (the lessor) should include the following provisions in the proposed lease agreement:

- i The federally assisted property shall be operated by the lessee to serve the best interests and welfare of the recipient, lessor, and the public; the terms and conditions for operation of service imposed by the recipient shall be evidenced in a service agreement;
 - ii The lessee shall maintain the federally assisted property at a high level of cleanliness, safety, and mechanical soundness under maintenance procedures outlined by the recipient; the recipient, lessor, and/or FTA shall have the right to conduct periodic maintenance inspections for the purpose of confirming the existence, condition, and the proper maintenance of the federally assisted property; and
 - iii The lease needs to cross reference a service agreement. A default under the lease is a default under the service agreement and vice versa.
- p. Management of Federally Assisted Property. Rolling stock and equipment management procedures include the following minimum requirements:
- (1) Equipment records must be maintained by the recipient. Records must include the following:
 - (a) A description of the asset, including make/model and year;
 - (b) The vehicle identification number (VIN) or serial number;
 - (c) The entity or individual that holds title to the asset;
 - (d) The source of funding (the FAIN number under which it was procured);
 - (e) The acquisition date;
 - (f) Date placed in revenue service;
 - (g) Date removed from revenue service;
 - (h) The cost of the asset;
 - (i) The percentage of Federal participation in the cost;
 - (j) The location;
 - (k) The use and condition, including miles and age for rolling stock;

- (l) The useful life, including miles and age for rolling stock; and
- (m) The disposition data, including the date of disposal and sale price, or, where applicable, method used to determine its fair market value.

A physical inventory of the equipment must be conducted, and the results must be reconciled with equipment records at least once every two years. Any differences must be investigated to determine the cause of the difference. Property should be tagged or otherwise identified as federally assisted property.

A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of federally assisted property. The recipient must investigate and document any loss, damage, or theft. The Rolling Stock Status Report should be kept up to date by the recipient. See Appendix F for a sample Rolling Stock Status Report.

q. Maintenance and Warranty.

- (1) Maintenance. Recipients must develop adequate maintenance procedures regarding all FTA-funded property in vehicle maintenance plans and facility/equipment maintenance plans. These plans must address how the recipients will maintain federally assisted property in good operating order and in compliance with any issued applicable Federal regulations and guidance, except to the extent that FTA determines otherwise in writing. These plans must describe a system of periodic inspections and preventive maintenance intervals. See FTA's [TAM website](#) for additional information on condition reporting.
- (2) Records and Oversight. Recipients must keep satisfactory records pertaining to the use of federally assisted property and submit to FTA upon request such information as may be required to assure compliance with Federal requirements. Recipients must have appropriate procedures in place to ensure that management and oversight of federally assisted property is properly administered for assets controlled by subrecipients.
- (3) Warranties. Warranties, when part of rolling stock and equipment contracts, should provide for correction of defective or unacceptable materials or workmanship. These warranties should specify coverage and duration and meet currently available industry standards. A general warranty incorporating industry standards and an extended warranty are eligible capital costs. FTA's Best Practices Procurement & Lessons Learned Manual encourages recipients to evaluate the cost of an extended warranty in an analysis separate from the equipment's acquisition cost in order to make a good business decision. Recipients are responsible for:
 - (a) Establishing and maintaining a system for recording warranty claims; this system should provide information needed by the recipient on the extent and provisions of coverage and on claims processing procedures; and

- (b) Identifying and diligently enforcing the system for recording warranty claims.
- r. Disposition Of Equipment And Supplies. In accordance with 2 CFR 200.313(e) and 2 CFR 200.314, disposition requirements apply to equipment and unused supplies regardless of age or specific use, including premature withdrawal from service. FTA retains a financial interest in all equipment or unused supplies acquired with Federal funds regardless of the specific value; however, recipients may not need to reimburse FTA for equipment with a disposition value of less than \$10,000 or unused supplies the aggregate value of which is less than \$10,000. Used supplies are not subject to disposition rules. State recipients must dispose of federally assisted equipment acquired under an award by the State in accordance with State laws and procedures as applicable. Indian Tribes must use, manage, and dispose of equipment acquired under a Federal award in accordance with tribal laws and procedures. If such laws and procedures do not exist, Indian Tribes must follow the guidance in under 2 CFR 200. Subrecipients of States and Indian Tribes must follow the general guidance outlined in 2 CFR 200.313(c) through (e) in respect to disposition of equipment acquired under an FTA award.

Per 2 CFR 200.313 and 200.314, if an item of equipment or an inventory of unused supplies purchased with Federal assistance is no longer needed for a public transportation purpose and is sold for \$10,000 or less, the recipient may retain the full proceeds from the disposition. If the proceeds are greater than \$10,000, then per 49 U.S.C. 5334(h)(4)(B), the recipient may retain \$5,000 and the percentage of the local share in the original award of the remaining proceeds, with the remaining Federal share returned to FTA. In either case, recipients may not deduct selling and handling expenses from the reimbursement for the Federal share of sales proceeds.

(1) Sales Considerations

- (a) Any exchange of funds or trade of equipment or services in consideration for the federally assisted property is considered a sale. The sales price is based on the value of the funds, equipment, or services provided by the purchaser, and the Federal share of that price is calculated as described above. Recipients and purchasers may not separate any portion of the sales prices as reimbursement in order to reduce the Federal share.
- (b) If the recipient is authorized to sell the property, it will be required to employ proper sales procedures that ensure that the highest possible return is achieved in the disposition of the federally assisted asset.
- (2) Replacement at End of Minimum Useful Life. Federally assisted property to be replaced must have achieved at least the minimum useful life. For purposes of bus replacement, the age of the bus to be replaced is its years of service or mileage at the time the proposed new bus is introduced into service. For purposes of a rail vehicle replacement, the age of the vehicle to be replaced is its age at the time the new vehicle is introduced into service. Official property records (or a Rolling

Stock Status Report) in which future needs (expansion and replacement) are discussed must be available upon request by FTA.

- (3) Vehicle Components (Including Converted Vehicles) at End of Minimum Useful Life. Generally, vehicle components are considered part of the vehicle until disposition. However, in cases where the recipient would like to continue to retain certain components after disposition, the recipient may remove a component prior to valuation and disposition of the asset. In such cases, the following guidance applies:
 - (a) Equipment Records. The recipient must treat the component the same as other federally funded equipment, including maintaining records identifying the retained vehicle components in its equipment inventory until disposition of the retained components. Recipients do not need to include components that do not meet the definition of equipment in the equipment inventory.
 - (b) Federal Interest. FTA continues to retain a Federal interest in any vehicle components retained or repurposed by the recipient as equipment. The Federal interest will continue to be proportional to the Federal share of participation in the vehicle acquisition. Components retained as equipment must be valued at the time of removal from the vehicle.
- (4) Disposition or Inappropriate Use Before the End of the Asset's Useful Life. Any disposition of federally assisted property before the end of its useful life requires prior FTA written approval. FTA is entitled to its share of the remaining Federal interest. Additional information and scenarios surrounding disposition and related adjustments of Federal interest are included in Appendix G: Equipment Disposition Scenarios.
 - (a) Calculating the Federal Interest. The value of Federal interest is determined by calculating the fair market value of the federally assisted property immediately before the occurrence prompting the withdrawal of that property from appropriate use (e.g., sale, loss, etc.). The amount of Federal interest that the recipient is required to return to FTA is the greater of FTA's share of the unamortized value of the remaining useful life per unit, based on straight line depreciation of the original purchase price or the Federal share of the sales price or fair market value. The straight-line depreciation schedules do not impact or directly relate to the fair-market value of federally assisted property, or a property's remaining useful life. Property may have fair market value beyond the useful life. The following example is provided to determine the straight-line depreciation of a vehicle: for a vehicle with a 12-year, 500,000-mile minimum useful life, the vehicle's value decreases each year by one-twelfth of its original purchase price. Alternatively, the value decreases for each mile driven 1/500,000 of its original purchase price. The unamortized value of the remaining useful life per unit is the value obtained

by calculating the straight-line depreciation based on either miles or years—whichever is more advantageous to the recipient.

- (b) Transfer to Public Agency for Non-transit Use. For an asset that has not met its useful life and with prior FTA approval, the recipient may follow procedures for 49 U.S.C. 5334(h)(1) – (3) to transfer federally assisted property (real property, including land, or equipment) to a public agency for non-public transportation use, provided the recipient can demonstrate that:
- i The asset will remain in public use for at least five years after the date the asset is transferred;
 - ii There is no purpose eligible for assistance for which the asset should be used;
 - iii The overall benefit of allowing the transfer is greater than the FTA interest in liquidation and return of FTA’s remaining Federal interest in the asset, after considering fair market value and other factors; and
 - iv Through an appropriate screening or survey process (usually by following procedures for publication in the Federal Register), there is no interest in acquiring the asset for the Federal use if the asset is a facility or land. Note that this criterion does not apply when the asset is equipment or rolling stock.

Additional information regarding this type of disposition is available from your FTA Regional or Metropolitan Office.

- (c) Like-Kind Exchange Policy. With prior FTA approval, equipment may be disposed of before the end of its minimum useful life. In lieu of returning the Federal share to FTA, a recipient may elect to transfer the remaining Federal interest to the acquisition of new replacement equipment of like kind. For example, “Like-Kind” is defined as a bus for a bus with a similar useful life and a rail vehicle for a rail vehicle. Under the Like-Kind Exchange Policy, proceeds from the Federal share of the equipment disposition are not returned to FTA; instead, all proceeds are reinvested in acquisition of the like-kind replacement equipment. If the disposition proceeds are less than the amount of the Federal interest in the equipment at the time it is being replaced, the recipient is responsible for providing the difference, along with the recipient’s share of the cost of the replacement equipment. If sales proceeds are greater than the amount of the Federal interest in the equipment traded in or sold, the investment of all proceeds in acquisition of the like-kind replacement equipment results in a reduction of the gross project cost. Example scenarios can be found in Appendix G.

- (5) Casualty, Fire, Natural Disaster, and Misused Property. When federally assisted property is lost or damaged by fire, casualty, or natural disaster, the fair market value and subsequent Federal interest shall be calculated on the basis of the condition of the equipment or supplies immediately before the fire, casualty, or natural disaster, irrespective of the extent of insurance coverage. If any damage to the federally assisted property results from abuse or misuse occurring with the recipient's knowledge and consent, the recipient agrees to restore the federally assisted property to its original condition or refund the value of the Federal interest in that property.

The recipient may fulfill its obligations to remit the Federal interest by either:

- (a) Returning to FTA an amount equal to the remaining Federal interest in the withdrawn federally assisted property; or
 - (b) With prior FTA approval, following the Like-Kind Exchange Policy as described in Section 4(b) above.
- (6) Insurance Proceeds. If the recipient receives insurance proceeds when federally assisted property has been lost or damaged by fire, casualty, or natural disaster, the recipient agrees to:
- (a) Apply those proceeds to the cost of replacing the federally assisted property that is damaged, destroyed, or taken out of service, whereas FTA will retain a Federal interest in the replacement property at the same percentage of Federal interest as the original property; or
 - (b) Return to FTA an amount equal to the remaining Federal interest in the federally assisted property that is lost, damaged, or destroyed. For purposes of calculating the federally assisted property, assume the property is in a state of good repair. This is done using the pay.gov system.

The amount of the remaining Federal interest is independent of the extent of insurance coverage or the amount of insurance proceeds received. Example scenarios are included in Appendix G.

- (7) Disposition or Use of Assets for Purposes Other than the Award after the End of Their Useful Life. Recipients must comply with the provisions within 49 U.S.C. 5334(h) and 2 CFR 200.313 and 200.314 when disposing of equipment, rolling stock, and other personal property purchased with FTA funds, including requesting disposition instructions for the disposing of property. Recipients must accurately document their evaluations of property for purposes of determining disposition method and calculation of the Federal interest.
- (a) Retain and Use Elsewhere. After the minimum useful life of federally assisted property is reached or the property is no longer needed for the

original award, it may be used by the recipient for other transit projects or programs. FTA prior approval of this alternative is not required; however, once the property is no longer needed for public transportation purposes, it must follow the requirements below.

- (b) Disposition of Property with a Fair Market Value of More Than \$10,000. With respect to rolling stock and equipment with a unit fair market value of more than \$10,000 per unit and unused supplies with a total aggregate fair market value of more than \$10,000 that are no longer needed for a public transportation purpose and were: (1) purchased with FTA assistance, (2) with a fair market value of more than \$10,000, and (3) sold after November 15, 2021, all recipients retain an amount equal to the sum of:
- i \$5,000; and, of the remaining proceeds, a percentage of the amount equal to the non-Federal share expended by the recipient in making the original purchase; recipients may not deduct selling and handling expenses from the reimbursement for the Federal share of sales proceeds; and
 - ii Any amounts remaining after application of Paragraph 1 shall be returned to FTA via pay.gov.
- (c) Disposition of Property with a Fair Market Value of \$10,000 or Less Value. With respect to rolling stock and equipment with a unit fair market value of \$10,000 or less per unit and unused supplies with a total aggregate fair market value of \$10,000 or less that were purchased using FTA financial assistance, the rolling stock, equipment, or supplies may be retained, sold, or otherwise disposed of when no longer needed for a public transportation purpose without any obligation to reimburse FTA. In determining the fair market value, recipients may not first deduct selling and handling expenses. Records of this action must be retained. FTA approval of this action is not required.
- (8) Transfer of Rolling Stock:—Recipient-to-Recipient. Chapter III sets forth the general requirements for the transfer of project property from one recipient to another recipient. Regarding the transfer of rolling stock, with prior FTA approval, a recipient may transfer rolling stock to another recipient. The Federal interest in the rolling stock will be transferred with the rolling stock, and therefore, the transferor of the rolling stock does not retain an obligation to reimburse FTA. The transferee may not use FTA assistance to acquire the vehicles. Both recipients should coordinate with their respective FTA Regional Offices.
- (a) Required Documentation. The recipients must provide the below information for both the transferor and transferee transit agencies. When the rolling stock has remaining useful life, the following information must be submitted:
- i A Written Request for Approval to Transfer or Receive Vehicles. The request should include the transferor/transferee recipient's name, list of

vehicles (year, make, model), date placed in revenue service, date removed from revenue service, FAIN assigned to the original FTA Award that financed the vehicle, mileage, remaining useful life, Federal share of remaining useful life, and reasons for transfer.

- ii A Board Resolution (or Other Appropriate Legal Action) from Each Recipient. The transferring recipient's board resolution (or other appropriate legal action) should identify the receiving recipient, include a statement that the vehicles are no longer required, a list of the vehicles to be transferred including the VINs, and the remaining Federal interest that is transferred to the receiving recipient.

The receiving recipient's board resolution (or other appropriate legal action) should identify the transferring recipient, a statement that the vehicles are needed for revenue service, a list of the vehicles to be acquired, including VINs, the remaining Federal interest for each vehicle, agreement that the vehicles will be maintained in accordance and in compliance with FTA requirements, and that the transferred vehicles will be included in its equipment inventory records.

- iii A Rolling Stock Status Report. Each recipient should provide a Rolling Stock Status Report that includes all information as identified in Appendix F. The Rolling Stock Status Report should reflect the impact that the transfer/addition of the vehicles will have on the recipient's total fleet and spare ratio. If approved, the receiving recipient will be directed to include the transferred vehicles in its next application for Federal assistance.

CHAPTER V:

FTA OVERSIGHT

1. GENERAL. FTA evaluates recipient adherence to program and administrative requirements through a comprehensive oversight program. FTA determines compliance through self-certification, oversight review, audits, and site visits.
2. PROGRAM OVERSIGHT.
 - a. FTA Oversight. FTA conducts reviews of recipients or requires that recipients have independent audits conducted on their programs to determine whether the recipients have met the program's requirements and certifications.

Recipients may be subject to Triennial, State management, or other regularly scheduled reviews to evaluate their performance. FTA must assess the compliance of the recipient in carrying out its program in accordance with Federal statutory and administrative requirements. These reviews of recipient performance help FTA to determine if the recipient is complying with its obligations under FTA's programs.

FTA may also conduct technical capability and capacity, procurement, financial management, civil rights, D&A, safety, security, and other compliance reviews and audits, in addition to the Triennial Review. When FTA's reviews or independent audits identify compliance deficiencies, FTA provides technical assistance to the recipient to facilitate compliance with Federal requirements. FTA may reduce or withdraw financial assistance as a result of review findings or withhold further grants until the recipient comes into compliance.

The Single Audit Act, as amended (31 U.S.C. 7501 et seq.), implemented in 2 CFR Part 200, also requires a recipient with annual expenditures of \$1,000,000 (\$1 million) or more under its Federal awards (not just from FTA) to have independent audits conducted annually.

- b. Comprehensive Reviews. FTA's comprehensive oversight reviews take a broad look at its recipients' management practices as well as compliance with program and administrative requirements across a broad spectrum of topic areas. In addition to helping evaluate recipients, these reviews give FTA an opportunity to provide technical assistance in meeting FTA requirements. They also aid FTA in reporting to the Secretary, Congress, other oversight agencies, and the transit community on FTA programs. FTA has two comprehensive review programs, both of which are detailed below:
 - (1) Triennial Review (TR). The TR examines the performance and adherence to current FTA requirements and policies for recipients receiving Urbanized Area

Formula Funding Program funds (49 U.S.C. 5307). These reviews are statutorily required to occur every three years.

- (2) State Management Review (SMR). SMRs assess State management practices and program implementation for recipients receiving Formula Grants for Rural Areas (49 U.S.C. 5311). The reviews are conducted every three years to ensure that the programs are administered in accordance with 49 U.S.C. Chapter 53, Federal transit law provisions, and FTA requirements and are meeting program objectives.
- c. Specialized Reviews. In addition to comprehensive oversight reviews, FTA conducts discretionary specialized oversight reviews. Major topic areas for specialized reviews include, but are not limited to, procurement, financial management, and civil rights.
- (1) Procurement. Procurement System Reviews (PSRs) focus on recipients' compliance with procurement requirements to ensure recipients expend their funds in accordance with FTA regulations, the Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards at 2 CFR Part 200 (Uniform Guidance), and contractual / grant agreements with FTA.
 - (2) Financial Management (FMO). FMO Reviews examine a grant recipient's financial management system's ability to meet the criteria of 2 CFR Part 200 and determine if the recipient's financial system is adequate to support the statutory and administrative requirements. Under the Financial Management Oversight Program, FTA conducts several types of reviews, including, but not limited to:
 - (a) Full Scope Financial Management System Review. FTA conducts a series of interviews, full transaction reviews, and appropriate substantive tests to determine whether the recipient's financial management system meets the Cost Principles and Uniform Administrative and Audit Requirements for Federal Awards (2 CFR Part 200).
 - (b) Agreed-Upon Procedures. Agreed-Upon Procedures engagements are performed primarily to focus on a particular issue (e.g., review of recipient's use of FTA funds for a particular project or review of the recipient's methodology for charging costs to a particular grant).
 - (c) Financial Condition and Capability Assessment. FTA assesses a recipient's financial condition and capability to maintain and operate the existing system and to complete its annual POP. This review is normally undertaken prior to major capital investment projects identified by FTA.
 - (d) Other. Additional financial management reviews may be conducted at FTA's discretion.

-
- (3) Civil Rights. Recipients and subrecipients of Federal assistance must comply with Federal civil rights requirements under Title VI of the Civil Rights Act, DOT regulations concerning participation by DBE, EEO requirements, and the transportation provisions of the Americans with Disabilities Act of 1990 (ADA). The FTA Office of Civil Rights conducts periodic reviews to assess ongoing compliance with these requirements. FTA recipients also may be subject to civil rights requirements established and enforced by Federal agencies other than FTA or DOT, and some of these responsibilities exist independent of FTA or other Federal funding.
- (a) Title VI Reviews. Title VI prohibits discrimination by recipients of Federal assistance on the basis of race, color, and national origin, including the denial of meaningful access for LEP persons. The FTA Office of Civil Rights reviews recipients of FTA assistance to determine their compliance with Title VI, the DOT implementing regulations at 49 CFR Part 21, and the Title VI program-specific guidance in FTA Circular 4702.1B. This includes a review of the recipient's service standards and policies, public outreach efforts, process for conducting service and fare equity analyses, LEP compliance, and other efforts.
- (b) DBE Reviews. All FTA recipients receiving planning, capital and/or operating assistance must comply with the Department of Transportation DBE program regulation (49 CFR Part 26). A recipient has different obligations depending on the amount and type of FTA funds it awards in a year. A recipient that awards more than \$670,000 of FTA funds in prime contracts in a Federal fiscal year (excluding transit vehicle purchases) is considered Tier I and must have a full DBE program meeting all requirements of Part 26. A recipient that awards up to \$670,000 in FTA funds is considered Tier II and must maintain an abbreviated program locally consistent with 49 CFR 26(a)(2). The FTA Office of Civil Rights reviews recipients of FTA assistance to determine their compliance with 49 CFR Part 26 based on their designated Tier, which may include reviewing the recipient's overall DBE program, reporting and recordkeeping, DBE goals, transit vehicle purchases, certification processes, and contract monitoring, as applicable.
- (c) EEO Reviews. FTA recipients are required to have EEO programs in place to prevent discrimination against their employees or applicants for employment because of race, color, religion, national origin, sex, disability, or age. The FTA Office of Civil Rights reviews recipients of FTA assistance to determine their compliance with related Federal transit laws (for example, 49 U.S.C. 5332(b)) and FTA's EEO Circular 4704.1A. This includes assessing a recipient's employment practices and policies, designation of EEO responsibilities, employment statistics and workforce analyses, and monitoring of EEO efforts.

- (d) ADA Reviews. The ADA prohibits discrimination on the basis of disability. FTA is responsible for ensuring that providers of public transportation are in compliance with the DOT regulations implementing the transportation provisions of the ADA, 49 CFR Parts 27, 37, 38, and 39, which govern the design, construction, alteration and maintenance of transportation facilities; the design, acquisition, and maintenance of vehicles; and the operation of transportation services. These requirements are further addressed in the most recent edition of FTA Circular 4710.1.

The FTA Office of Civil Rights conducts periodic compliance reviews of FTA recipients with regard to the following:

- i Fixed-route bus and rail service, including station design (all aspects of the provision of fixed route and fixed guideway service governed by DOT ADA regulations); and
 - ii ADA complementary paratransit (eligibility and service requirements).
3. SAFETY OVERSIGHT. Pursuant to 49 U.S.C. 5329(f), the U.S. Secretary of Transportation is authorized to take actions to evaluate and direct changes in a recipient's performance of operations in order to improve the safety of public transportation systems. The extent of these authorities and actions includes: (1) conducting inspections, investigations, audits, examinations, and testing of the equipment, facilities, rolling stock, and operations of the recipient's public transportation system; (2) making reports and issuing directives with respect to the safety of the recipient's public transportation system; and (3) issuing a subpoena to and taking the deposition of any employee of a recipient or SSO Agency in conjunction with an accident investigation or an investigation into a pattern or practice of conduct that negatively affects public safety.

Pursuant to 49 U.S.C. 5329(g), the Secretary is authorized to issue directives, to require more frequent oversight of a recipient by an SSO agency or the Secretary, to impose more frequent reporting requirements, to require that any Federal financial assistance provided under 49 U.S.C. Chapter 53 be spent on correcting safety deficiencies identified by the Secretary or the SSO agency before such funds are spent on other projects, and to withhold up to 25 percent of Section 5307 funds from a recipient.

The specific safety reviews are discussed below:

- a. D&A Program Compliance Audits. The purpose of the D&A testing program is to help prevent accidents, fatalities, and injuries resulting from the misuse of alcohol or the use of prohibited drugs by employees who perform safety-sensitive functions. Establishing a testing program is a condition of Federal assistance appropriated or made available for 49 U.S.C. 5307, 5309, and 5311, and any contractor of a recipient or subrecipient under 49 U.S.C. 5307, 5309, and 5311. For noncompliance with 49 CFR Parts 40 and 655, the

Secretary may bar a recipient from receiving FTA assistance in an amount that the Secretary deems appropriate.

Recipients must certify annually that they are in compliance with DOT and FTA regulations concerning D&A testing, 49 CFR Parts 40 and 655 respectively.

FTA conducts audits of recipients and States to assess their implementation of 49 CFR Part 655 requirements. These audits provide in-depth reviews of recipient and State programs and include a detailed examination of records and interviews with appropriate recipient personnel, their contractors, service agents, such as employees of collection sites, medical review officers, substance abuse professionals, and third-party administrators. FTA assigns staff and contractor support to audit recipients' D&A Testing Programs. FTA uses data collected and analyzed from the Drug and Alcohol Management Information System (DAMIS) to assess and monitor recipients' programs. FTA monitors industry D&A testing rates and results. These audits are scheduled based on analysis of DAMIS information and annual recipient evaluation. FTA manages this program using a Web-based auditing and reporting system.

- b. SSO Program Audit. FTA is required to monitor and evaluate compliance with FTA's SSO Rule, 49 CFR Part 674. FTA conducts triennial audits of each State oversight agency designated to implement FTA's SSO Rule for the rail transit agencies operating in its jurisdiction. For each audit, FTA assigns its own staff, plus contractor support, to review each State's program. These audits are scheduled based on analyses of annual reporting information provided by the States and use the recipient assessment. These audits provide in-depth reviews of each State's program and include a detailed examination of records and interviews with appropriate personnel and their contractors, at both the State oversight agency and the regulated rail transit agencies. The audits also provide a forum to recommend improvements to the effectiveness of the oversight program established by each State.

4. MAJOR CAPITAL PROJECT OVERSIGHT.

- a. Capital Program Management Reviews
 - (1) Cost, Scope of Work, Schedule, PMP and Technical Capacity, and Capability Reviews and Risk Assessments. Some of the key activities that FTA performs include cost review, scope of work review, schedule review, PMP review, and review of the management capacity and capability of the project sponsor, or recipient. Several other reviews may be conducted based on the project requirements. The reviews are generally based on the complexity of the project, the project sponsor's experience, the cost of the project, and/or a risk-based approach.
 - (2) PMO Reviews. FTA conducts PMO reviews for major capital projects. The primary goal of FTA's PMO reviews is to ensure that the project sponsors, or

recipients, have all the necessary processes and procedures in place to effectively manage and deliver the promised benefits of the project on time, within budget, and in compliance with all applicable Federal requirements and the PMP. PMO contractors will generally undertake a quarterly project site visit unless concerns arise with implementation of the PMP, budget, or schedule.

- (3) Quarterly Project Management Meetings. Quarterly project management meetings, between FTA staff and project sponsors, or recipients, may be instituted with selected recipients. These meetings provide a forum for management briefings, status / progress reports, discussion of accomplishments and problems, and, as appropriate, an opportunity for site inspection.
 - (4) Site Visits. FTA may conduct on-site inspections of projects to evaluate the recipient's effectiveness in implementing the project in conformance with the grant agreement, cooperative agreement, or other agreement. Inspection visits may be made, for example, to follow up on information received from the recipient about an event with significant impact on a project or to determine whether the recipient has adequately complied with civil rights laws, regulations, and agreements. Inspection and concurrence by FTA in project work does not relieve the recipient of its responsibilities and liabilities as the responsible party for carrying out the project. The meetings do not replace quarterly written reports, unless FTA grants a specific exemption.
- b. FTA Technical and Construction Oversight Review. The recipient agrees to permit FTA to review, as FTA deems necessary, the technical plans and specifications of a project to ensure proper execution, consistency with the scope of work and need, and incorporation of FTA requirements. The recipient agrees to comply with any FTA requests, including recommendations and determinations pertaining to its review of construction plans and specifications. The FTA Regional Office should be consulted to determine if an FTA review of construction plans and specifications is necessary to advance the project to the next level of design. The recipient agrees to provide and maintain competent and adequate engineering supervision at the construction site to ensure that the completed work conforms to the plans and specifications and that the intent of the scope of work of the Award is carried out. To the extent applicable, the recipient agrees to comply with FTA PMO regulations, 49 CFR Part 633.

CHAPTER VI:

FINANCIAL MANAGEMENT

1. GENERAL. This chapter discusses requirements for the proper use and management of Federal assistance that FTA expects its recipients to adopt and use. Financial management is one of the most important practices in the management of Federal assistance.
2. INTERNAL CONTROLS. Internal controls are the processes, implemented by a recipient or subrecipient, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations, (2) reliability of reporting for internal and external use, and (3) compliance with applicable laws and regulation. Internal control over compliance requirements for the Federal award is the process implemented by a recipient or subrecipient designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:
 - a. Transactions are conducted in compliance with:
 - (1) Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program; and
 - (2) Any other Federal statutes and regulations that are identified in the OMB Compliance Supplement.
 - b. Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.
 - c. Transactions are properly recorded and accounted for in order to:
 - (1) Permit the preparation of reliable financial statements and Federal reports;
 - (2) Maintain accountability over assets; and
 - (3) Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
 - d. General. FTA payments to a recipient are made electronically to meet the Federal share of eligible expenses incurred under the award.

The recipient's execution of its FTA grant or cooperative agreement requires the recipient to use the Federal assistance it receives as specified in that grant or cooperative agreement. This creates a vested interest by the Federal Government in unused balances, any improperly used Federal assistance, and facilities, equipment, or services purchased or otherwise acquired to implement its Award, whether the Federal assistance received by the recipient is an advance or reimbursement.

Recipients and subrecipients are responsible for establishing and maintaining adequate internal controls over all their functions that affect implementation of the Award.

For proper management of the Award, these controls must be used by each recipient in all its operating, accounting, financial, and administrative systems. To ensure proper accountability for Federal assistance, internal controls must be integrated with the management systems used by the recipient to regulate and guide its operations.

- e. Objectives. Resources must be used in accordance with applicable State, local, and Federal laws, regulations, and policies, and the grant or cooperative agreement accompanying the Award. Resources must be safeguarded against waste, loss, and misuse. Reliable data on resource use and safeguards must be accumulated, maintained, and fairly disclosed in reports to the recipient's management and FTA. A proper system of internal controls will help the recipient to:
- (1) Operate efficiently and economically;
 - (2) Keep obligations and costs within the limits of authorizations and legal requirements, consistent with accomplishing the purpose of the Award;
 - (3) Safeguard assets against waste, loss, and misuse;
 - (4) Ensure timely collection and proper accounting of the recipient's operating and other revenues; and
 - (5) Ensure accuracy and reliability in financial, statistical, and other reports.
- f. Necessary Elements. Certain elements are necessary to achieve the objectives mentioned above in Chapter VI, Section 2.e and meet the standards discussed below in Chapter VI, Section 2.g. The following objectives and standards facilitate the recipient's use of internal controls:
- (1) Reasonable assurance that internal controls are an integral part of the recipient's management systems;
 - (2) Assignment of internal control functions to competent and qualified employees;
 - (3) Identification of specific internal control objectives to ensure that needs are identified and that valid controls are planned and implemented;
 - (4) Adoption of internal control policies, plans, and procedures that reasonably ensure their effectiveness, such as organizational separation of duties and physical arrangements (e.g., locks and fire alarms); and
 - (5) Regular program of testing to identify vulnerabilities in the internal control system.

g. Standards of Internal Control and Audit Resolutions.

(1) General.

- (a) Recipient management policies that govern implementation of the Award must be clearly stated, understood throughout the organization, and conformed to applicable legislative and administrative requirements.
- (b) The recipient's formal organization structure must clearly define, assign, and delegate appropriate authority for all duties.
- (c) Responsibility for duties and functions must be segregated within the organization to ensure that adequate internal checks exist. Recipients should pay particular attention to authorization, performance, recording, inventory control, and review functions to reduce the opportunity for unauthorized or fraudulent acts.
- (d) A system of organizational planning should exist to determine financial, property, and personnel resource needs.
- (e) Written operating procedures must exist and be simply stated, yet meet the recipient's operating, legal, and regulatory requirements. In developing its procedures, the recipient should consider such factors as feasibility, cost, risk of loss or error, and availability of suitable personnel. Other important considerations are the prevention of illegal or unauthorized transactions or acts.
- (f) The recipient's information system must reliably provide needed operating and financial data for decision-making and performance review.
- (g) The recipient must provide proper supervision, and performance must be subject to review of an effective internal audit program.
- (h) All personnel must be properly qualified for their assigned responsibilities, duties, and functions; education, training, experience, competence, and integrity should be considered in assigning work; all must be held fully accountable for the proper discharge of their assignments.
- (i) Expenditures must be controlled so that construction, equipment, other property, and services are acquired and received as contracted for (as to quality, quantity, price, and time of delivery); authorizations for expenditures must conform to applicable statutes, regulations, and policies.
- (j) All real property, equipment, expendables, and funds must be safeguarded to prevent misuse, misappropriation, waste, or unwarranted deterioration or destruction.

-
- (2) Internal Control Self-Assessment. The recipient should evaluate its internal controls and financial management systems to ensure their effectiveness.
- (3) Financial Management Systems.
- (a) States: A State must expend and account for the Federal assistance it awarded in accordance with State laws and procedures for expending and accounting for the State's own funds. In addition, the financial management systems of a State, recipient, or subrecipient, including records documenting compliance with Federal statutes, regulations, and the terms and conditions applicable to the Award, must be sufficient to:
- i Permit preparation of reports required by the general and program-specific terms and conditions; and
 - ii Permit the tracing of Federal assistance to a level of expenditures adequate to establish that such Federal assistance has been used according to the Federal statutes, regulations, and the terms and conditions of the Award.
- (b) Entities Other than a State: The financial management systems of each recipient or subrecipient other than a State must meet the following standards:
- i Financial Reporting. Accurate, current, and complete disclosure of the financial results of federally assisted activities must be made in accordance with financial reporting requirements.
 - ii Accounting Records. Recipients and subrecipients must maintain records that adequately identify the source and application of funds provided for federally assisted activities. These records must contain information pertaining to the Award or subawards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
 - iii Internal Control. Effective control and accountability must be maintained for all cash provided to support the Award or subaward, real and personal property, and other assets; recipients and subrecipients must adequately safeguard all such property and must ensure that it is used solely for authorized purposes.
 - iv Budget Control. Actual expenditures or outlays must be compared with budgeted amounts for each Award or subaward. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or cooperative agreement or written agreement with the subrecipient. If the unit cost data are required,

estimates based on available documentation will be accepted whenever possible.

- v Allowable Cost. Applicable OMB cost principles of 2 CFR Part 200 for awards made on or after December 26, 2014, and OMB cost principles for awards made before December 26, 2014, as stated in former 2 CFR Parts 220, 225, and 230, as applicable. USDOT program regulations and the terms of the grant or cooperative agreement or other written agreement with the subrecipient must be followed in allowability and allocability of costs.
 - vi Source Documentation. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contracts, and subrecipient documents.
 - vii Cash Management. Procedures for minimizing the time elapsing between the transfer of funds from the Treasury and disbursement by recipients and subrecipients must be followed whenever advance payment procedures are used. Recipients must establish reasonable procedures to ensure the reports on subrecipients' cash balances and cash disbursements are received in sufficient time to enable them to prepare complete and accurate cash transaction reports to the awarding agency. When advances are made by electronic transfer of funds methods, the recipient must make drawdowns as close as possible to the time of making disbursements. Recipients must monitor cash drawdowns by their recipients to ensure that they conform substantially to the same standards of timing and amount that apply to advances to recipients. Payment received from FTA generally must be disbursed within three business days. If not disbursed within three days, funds become excess funds and must be returned to FTA with interest.
3. NON-FEDERAL SHARE OR LOCAL MATCH. The recipient agrees to provide sufficient funds or approved in-kind resources to serve as non-Federal share for all its federally assisted awards in compliance with 49 U.S.C. Chapter 53. The recipient certifies that it has or will have available the proportionate amount of the non-Federal share to pay promptly the costs incurred or that become due to implement the Award, except to the extent that the Federal Government determines in writing that the non-Federal share may be deferred. The recipient may not use an amount as the non-Federal share for more than one award. Amounts over the required match are, likewise, unavailable for use in other Federal awards. See also 2 CFR 200.306 for more information on cost-sharing or matching.

Depending on the source of FTA funding, the non-Federal share may include:

- Cash from non-governmental sources other than revenues from providing public transportation services;

- Non-farebox revenues from the operation of public transportation service, such as the sale of advertising and concession revenues (A voluntary or mandatory fee that a college, university, or similar institution imposes on all its students for free or discounted transit service is not farebox revenue.);
- Assets from other Federal sources if authorized by Federal law to be used as non-Federal share for the specific project;
- Amounts received under a service agreement with a State or local social service agency or private social service organization; and
- Undistributed cash surpluses, replacement or depreciation cash funds, reserves available in cash, or new capital.

NOTE: Recipients should consult the applicable program circular to determine what sources of non-Federal share are permitted for any particular activity.

4. ADDITIONAL SOURCES OF NON-FEDERAL OR LOCAL SHARE.

- a. Revenue Bond Proceeds as Local Share. A recipient of funds may use the proceeds from the issuance of revenue bonds as part of the local match for a capital project, with prior FTA approval. Farebox receipts are one type of revenue that may be used to secure the bonds. Use of the proceeds of revenue bonds as local share will be approved only if FTA finds that the aggregate amount of financial support for public transportation in the UZA provided by the State and affected local governmental authorities during the next three fiscal years, as programmed in the STIP, is not less than the aggregate amount provided by the State and affected local governmental authorities in the UZA during the preceding three fiscal years.
- b. Use of Program Income as Local Share. Title 2 CFR 200.307 governs the use of recipients' program income. Recipients may use program income generated by an earlier grant as the local share for a subsequent eligible public transportation project. However, recipients may not use program income as the local share for the same grant that generated the income. Program income is defined in 2 CFR 200.1 and 1201.80. The recipient's accounting system must be capable of identifying program income and the purpose for which the recipient used it. The recipient must account for program income in its accounting system, which FTA subjects to audit. The FFR requires the reporting of program income.

In a grant application requesting operating assistance, the applicant must deduct farebox revenues from operating costs to arrive at the net project cost of an operating assistance project. In no event may the applicant use farebox revenues as local share for the project that generated those revenues, although the applicant may use farebox revenue to support bonds issued to finance capital projects.

- c. Funds Other than Program Income. Revenue derived from an activity that is not federally assisted is not program income.

Generally, FTA does not consider sales proceeds from the disposition of FTA-funded assets to be program income. Rather, such proceeds are governed by law and regulation, including 49 U.S.C. 5334(h)(4), 2 CFR 200.313 (equipment), and 2 CFR 200.311 (real property). FTA has provided guidance regarding property disposition in this circular and FTA Circular 7050.1C. However, recipients may retain sales proceeds as program income only if the sale of the asset, as in some joint development activities, achieves the purpose of the grant (used for the asset's authorized purpose) with prior approval by FTA approval and as otherwise provided in FTA guidance. Furthermore, recipients may retain sales proceeds to undertake a like-kind exchange also, but the sales proceeds are not program income and recipients must not use them as local share.

- d. Proceeds Related to Social Security Act Funds as Local Share. Section 403(a)(5)(C)(vii) of the Social Security Act, codified at 42 U.S.C. 603(a)(5)(C)(vii), Welfare-to-Work grant prohibits the use of Temporary Assistance for Needy Families (TANF) block grant funds as local share for other federally assisted projects. Consistent with 49 U.S.C. 5307(d)(4), however, Federal transit law expressly authorizes recipients to use TANF funds as the local share for Section 5307 projects.
- f. Funds Made Available under the Federal Lands Transportation Program (FLTP). The FLTP program, as authorized under 23 U.S.C. 203, provides funding directly to Federal land management agencies, including the National Park Service, the U.S. Department of Agriculture Forest Service, the U.S. Fish and Wildlife Service, the Bureau of Land Management, and the U.S. Army Corps of Engineers, for transportation projects on or near Federal lands. Eligible projects include capital projects and operating assistance for facilities or equipment, including federally owned roads and transit systems. Funds apportioned under this program may be used as a form of local match for other FHWA and FTA programs. For example, a recipient may partner with the Forest Service or National Park Service to install bus shelters or other transit improvements on Federal lands within the recipient's service area.
- g. Credits as Non-Federal Share. Specific legislative provisions permit FTA applicants and recipients to use credits as the local share. The effect of utilizing credits means that FTA, in essence, provides 100 percent of the actual net project cost. For example, if the actual cost of the asset the applicant will purchase is \$125,000, FTA's share at 80 percent normally equals \$100,000. The remaining \$25,000 local match uses credits, so additional Federal funds are needed to equal \$125,000 or 100 percent of the actual net project cost. The sample calculations are shown in the table below:

TABLE VI-1: Sample Non-Federal Share Credit Calculation

| | |
|--------------------------------|---|
| Actual Net Project Cost | \$125,000 |
| Federal Share Available | \$100,000 |
| Federal Share (80%) | \$100,000 |
| Local Share (20%) | \$25,000 (based on an approved use of federally funded credits) |
| Total Project Cost | \$125,000 |

In TrAMS, the recipient will enter the following:

| | |
|--------------------|-----------|
| Total Project Cost | \$125,000 |
| Federal Share | \$125,000 |

- (1) Transportation Development Credits (TDCs, formerly referred to as Toll Revenue Credits). Section 120(i) of 23 U.S.C. describes terms and requirements for Credit for Non-Federal Share. Under this provision, a State may use, as a credit toward a project's local share, certain expenditures it has made with toll revenues. The amount of credit toward local share to be earned by a State is based on revenues generated by toll authorities within the State that are used by the authorities to build, improve, or maintain highways, bridges, or tunnels that serve interstate commerce. A recipient wishing to apply the provisions of 23 U.S.C. 120(i) should discuss with its State DOT (State DOT) the availability of TDCs for use as local share as matching funds in FTA grants. The recipient must obtain a letter from the State DOT confirming that TDCs are available for a project prior to submitting a grant application in TrAMS. FHWA oversees the determination of TDCs within each State.

Section 120(i) does not make Federal funds available above the amount for which the applicant is eligible. FTA will not approve a retroactive application of TDCs.

- (2) Providers of Public Transportation by Vanpool. Section 5323(i)(2) permits recipients to count as local match amounts that are expended by a private provider of the public transportation by vanpool for the acquisition of rolling stock to be used by the provider in the recipient's service area. This excludes any amounts received from Federal, State, or local governments for the purchase of the rolling stock. A private provider of public transportation by vanpool may use revenues it receives in the provision of public transportation service in the service area of a recipient that are in excess of the provider's operating costs to acquire rolling stock, provided that the recipient and provider have entered into a legally binding agreement requiring the provider to use the rolling stock in the recipient's service area.

The effect of this provision is to allow revenues received in the operation of public transportation service by vanpool that exceed operating expenses to be re-invested in capital equipment and to be counted toward a recipient's local match requirement under a capital cost of contracting grant agreement. If an applicant intends to utilize this provision in a grant, the applicant must inform FTA in advance of submitting the grant and must attach the required agreement to the application in TrAMS. The agreement must specify the amount intended to be counted as local match and must identify any amounts under that agreement that have already been applied as local match on any other previous grants. FTA reserves the right to request any additional information necessary to justify the use of this provision in a grant application.

The term "private provider of public transportation" means a private entity providing vanpool service in the service area of a recipient of Section 5307 funds using a commuter highway or vanpool vehicle. These types of vehicles must have the seating capacity of at least six adults (not including the driver), and at least 80 percent of the vehicle's mileage can be reasonably expected to be for the purposes of transporting commuters in connection with travel between their residences and their place of employment.

- h. In-Kind Match for Intercity Bus. Section 5311(g)(3)(D) provides that in the case of an intercity bus project that includes both feeder service and an unsubsidized segment of intercity bus service to which the feeder service connects, the local match "may be derived from the costs of a private operator for the excess unsubsidized segment of intercity bus service, including all operating and capital costs of such service, whether or not offset by revenue from such service as an in-kind match for the operating costs of connecting rural intercity bus feeder service funded under 5311(f)." See Circular 9040.1H for additional information.
- i. In-Kind Contributions of Real Property, Public-Private Partnerships, and Joint Development. Recipients may use in-kind contributions of real property as part of the local matching share so long as the property is needed to carry out the scope of the approved project. The property can be owned and donated by the recipient or by a third party, provided that the recipient has satisfactory continuing control over the asset. A recipient shall not acquire property for the purpose of donating it to carry out a federally assisted project without following NEPA, the Uniform Act, and any other Federal procedures. The in-kind contribution allowance will be based on the current market value as independently appraised. Appraisals and review appraisals intended to value the in-kind contribution must comply with the requirements of 49 CFR 24.104 and 24.105 (See this circular for additional guidance on FTA appraisal requirements.). Appraisals for real property, regardless of appraised value, must be submitted to the FTA Regional or Metropolitan Office. FTA must review and concur on in-kind contributions of any value before Federal funds are expended or the value is used as local match. In-kind contributions must also be documented in the grant application. Recipients shall manage

real property according to the applicable guidelines set forth in this circular, and all Joint Developments must comply with FTA Circular 7050.1C.

Credit can only be allowed for the value of the portion of real property used or consumed by the project. If part of a larger parcel is to be used as local match and the remaining subparcel is intended to be used at a future date for future match, the recipient is cautioned to clearly indicate the limits of the subparcel to be used as local match and the appraised amount associated with the subparcel. The remnant subparcel can then follow the same procedure for future local match. If the entire parcel is provided as a local match and no delineation is made related to possible use of the excess subparcel as overmatch, eligibility of the over-match subparcel may be lost. If Federal funds were used to purchase the property, the Federal share and its relative match used to purchase such property may not be counted as the value of the in-kind contribution. In-kind requirements are outlined in this circular and 2 CFR Part 200.

- j. Other Federal Funds. In addition to funds from Section 403 of the Social Security Act, in a very limited number of situations, other Federal funds may be eligible for inclusion in the local match. Such use is dependent upon the eligibility of the other Federal funds as non-Federal funds or local match and agreement by the Federal agency. As an example, Community Development Block Grant (CDBG) funds administered by HUD may be used to provide the local share of Federal public transportation projects so long as the public transportation activities are:
- (1) Eligible for assistance under the CDBG program; and
 - (2) In compliance with HUD regulations, “Community Development Block Grants,” 24 CFR Part 570. See 42 U.S.C. 5305(a)(9) and 24 CFR 570.201(g).

Profit from operations not related to public transportation may be included in the local match to the extent that such revenues are applied to cover eligible operating expenses.

Federal and local matching funds may only be applied to eligible operating expenses incurred on the accrual basis of accounting in providing public transportation services during the project period. FTA has also provided the [CCAM Federal Fund Braiding Guide](#) as a useful resource. Please contact the applicable Federal agency to see if their funds can be used as a match for FTA funds.

5. FINANCIAL PLAN. Upon request from FTA, the recipient agrees to provide a financial plan delineating the source of non-Federal share, the amounts applicable to the different sources, and the time frame for acquisition of the non-Federal share. Recipients must have multiyear financial plans (three to five years) for operating and capital revenues and expenses to implement FTA awards. The financial plans should indicate adequate revenues to maintain and operate the existing system and to complete the annual POP.

6. FEDERAL PRINCIPLES FOR DETERMINING ALLOWABLE COSTS.

a. General.

- (1) Recipients should refer to DOT regulations, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 1201, for awards and amendments thereto with additional funding made on or after December 26, 2014, to awards and amendments.
- (2) Recipients of awards made before December 26, 2014, should refer to former 2 CFR Part 220 (OMB Circular A-21, “Cost Principles for Educational Institutions”); former 2 CFR Part 225 (OMB Circular A-87, “Cost Principles for State, Local, and Indian Tribal Governments”); former 2 CFR Part 230 (OMB Circular A-122, “Cost Principles for Non-Profit Organizations”); former DOT common rules 49 CFR Parts 18 and 19; or the Federal Acquisition Regulation (FAR) subpart 31.2 (48 CFR 1.31.2), which covers for-profit organizations.
- (3) Apart from the cost differences identified above, FTA has determined that:
 - (a) The “Program Income” provisions of 2 CFR 1201.80 supersede conflicting provisions of the “Program Income” provisions of 2 CFR 200.307. Notwithstanding 2 CFR 200.400(g), the profit provisions of the Master Agreement authorize recipients to earn and keep profits derived from an award if they are spent in manner consistent with the provisions of the Master Agreement and other applicable federal guidance.
 - (b) Project costs must specifically relate to the purpose of the Award and the latest award budget. Recipients may incur direct and indirect costs. Direct costs are costs that can be identified specifically with a particular cost objective and may be charged directly to the grant or cooperative agreement. All direct costs, even for project administration activities, must be adequately supported with proper documentation. For example, all labor charges must be supported with T&A records. Indirect costs are costs incurred for a common or joint purpose benefiting more than one cost objective. Indirect costs must be supported by an approved CAP and/or ICRP.
 - (c) Care must be exercised when incurring costs to ensure that all expenditures meet the criteria of eligible costs. Failure to exercise proper discretion may result in expenditures for which the use of project funds cannot be authorized. The guidelines contained in this document are general guidelines for determining allowable costs, and any program-specific guidelines take precedence over what is presented here. Please refer to your specific program’s guidance and circulars for more information.

-
- b. Criteria for Allowable Costs. The criteria that govern the eligibility of costs to implement the Award are listed below. To be allowable under a Federal assistance program, costs must meet the following general criteria:
- (1) Be necessary and reasonable for proper and efficient administration of the Federal assistance program, be allowable under the principles contained in the OMB requirements (outlined in 2 CFR Part 200) and prior common rules and circulars and, except as specifically provided in this circular, not be general expenses required to carry out the overall responsibilities of State or local governments;
 - (2) Be authorized or not prohibited under State or local laws or regulations;
 - (3) Be able to conform to any limitation or exclusions set forth in the cost principles, Federal laws, or other governing limitations as to types or amounts of cost items, including FTA circulars and NOFOs;
 - (4) Be consistent with policies, regulations, and procedures that apply uniformly to both federally assisted and other activities of the unit of government of which the recipient is a part;
 - (5) Be treated consistently - a cost may not be assigned to its award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Award as an indirect cost;
 - (6) Be determined in accordance with GAAP appropriate to the circumstances;
 - (7) Not be allocable to or included as a cost of any other federally assisted program in either current or prior periods;
 - (8) Be net of all applicable credits;
 - (9) Be adequately documented;
 - (10) Not be incurred before its Award is made, unless specifically provided for in a LONP or equivalent document approved by FTA in the pre-award authority, as described in the Federal Register listing of the Annual Apportionments, or as described in this circular.
- c. Eligible Costs for FTA Programs. While some costs may be generally allowable, FTA program requirements may place restrictions or increase flexibilities.
- d. Bond Interest in Advance Project Authority. This applies to a situation in which a recipient has obligated all its funds for capital or planning projects, as otherwise eligible, and would like to carry out any part of a project with local funds which FTA may later reimburse under advance project authority. This authority, which is set forth in 49 U.S.C. 5307(e), permits FTA to participate in the project costs, including any interest

payable by the recipient and earned by the bondholder on bonds issued by the recipient to the extent the recipient has actually expended the proceeds of the bonds in carrying out the portion of the project. The recipient must certify that it has shown reasonable diligence in seeking the most favorable financing terms available in order for interest to be an eligible reimbursable cost.

- e. Buildings and Equipment. OMB regulations at 2 CFR Part 200 allow financing costs (including interest) associated with otherwise allowable costs of building acquisition, construction, or fabrication; reconstruction; or remodeling incurred after October 1, 1980, subject to conditions identified below. The term “building” includes the associated real property (land) and fixtures.

Title 2 CFR 200.449 allows financing costs (including interest) paid or incurred on or after September 1, 1995, associated with otherwise allowable costs of equipment, subject to the conditions cited below. The regulation defines equipment as, “tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes, or \$10,000.”

Conditions associated with the allowable financial costs for buildings and equipment are as follows:

- (1) A bona fide third party unrelated to the recipient provides the financing (from other than tax or user fee sources);
 - (2) The assets are used in support of Federal awards;
 - (3) Earnings on debt service reserve (DSR) funds or interest earned on borrowed funds pending payment of the construction or acquisition costs are used to offset the current period’s cost or the capitalized interest, as appropriate (Earnings subject to being reported to the Federal Internal Revenue Service under arbitrage requirements are excludable);
 - (4) For debt arrangements over \$1 million, unless the governmental unit makes an initial equity contribution to the asset purchase of 25 percent or more, the governmental unit must reduce claims for interest cost by an amount equal to interest earnings on excess cash flow;
 - (5) Interest attributable to fully depreciated assets is unallowable.
- f. Working Capital. Interest and other financial costs associated with borrowing to provide working capital for the payment of current operating expenses are eligible operating costs

-
- g. Leasing. Leasing costs eligible for capital assistance may include finance charges, including interest. Note: Leasing arrangements include certificates of participation and cross-border leasing as well as traditional leasing of capital assets.
- h. Capital Cost of Contracting. Interest on facilities and equipment is eligible for reimbursement by FTA when a recipient enters into a contract with a third party for service or maintenance.
- i. Other Interest Costs. FTA will consider other proposals concerning the eligibility of interest case-by-case. FTA will use the guidelines provided in 2 CFR Part 200.
- j. Disallowed Costs. In determining the amount of Federal assistance FTA will provide, FTA will exclude:
- (1) Any costs to implement the Award incurred by the recipient before the date of the Award, unless specifically provided for in an LONP or equivalent document approved by FTA, or in the pre-award authority as described in the Federal Register listing of the Annual Apportionments; and
 - (2) Any costs attributable to property or services received under a contract or other arrangement that is required to be, but has not been, concurred in or approved in writing by FTA.

The recipient agrees that reimbursement of any cost in accordance with the indicated payment methods for its Award does not constitute a final FTA decision about the allowability of that cost and does not constitute a waiver of any violation by the recipient of the terms of its Award. If the Federal Government determines that the recipient is not entitled to receive any part of the Federal assistance requested, the Federal Government will notify the recipient stating the reasons. Closeout of the Award will not alter the recipient's obligation to return any Federal assistance due to FTA as a result of later refunds, corrections, or other transactions. Nor will closeout of the Award alter FTA's right to disallow costs and recover Federal assistance on the basis of a later audit or other review. Unless prohibited by law, FTA may offset any Federal assistance to be made available under its Award necessary to satisfy any outstanding monetary claims that FTA may have against the recipient. Exceptions pertaining to disallowed costs are set forth in FTA directives or in other written Federal guidance.

7. INDIRECT COSTS.

- a. General. Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefitted cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any

other cost that was incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

- b. Definitions. Indirect costs, as defined in 2 CFR Part 200, are costs that are:
- (1) Incurred for a common or joint purpose benefiting more than one cost objective;
 - (2) Not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved; and
 - (3) Originating in the recipient department as well as those incurred by other departments in supplying goods, services, and facilities to the recipient department.

Examples of indirect costs include administrative costs, operational costs, and expenses of unit heads and their immediate staff. Principles and standards for determining costs applicable to grants and cooperative agreements with recipient or other State or local government authorities are presented in 2 CFR 200.416 and the appropriate DHHS publication, ASMB C-10 (Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government).

- c. Cognizant Federal Agency.

The cognizant agency for indirect costs is the Federal agency responsible for reviewing, negotiating, and approving indirect cost proposals or CAPs developed under 2 CFR Part 200 on behalf of all Federal agencies. Under Appendix V of 2 CFR Part 200, DOT is the cognizant agency of indirect costs for State and local airport and port authorities and transit districts' cognizant audit agencies. Based on delegations within DOT, FTA is cognizant for transit districts. For other organizations, cognizance is generally assigned to the Federal agency that provides the predominant amount of Federal funding to a recipient within a given departmental organization within the State or locality. Once designated as the cognizant agency for indirect costs based on funding, the Federal agency must remain so for a period of five years.

When a recipient is not assigned a cognizant agency, that recipient will be under the general oversight of the Federal agency that provides it the most direct Federal funds, which will also be identified as the cognizant agency for indirect costs. To determine the most direct Federal funds, it is useful to consult the Schedule of Federal Expenditures provided in a recipient's Single Audit. This information is available from the [Federal Audit Clearinghouse \(FAC\)](#). Please note, the available information in the FAC notes the cognizant agency for audit, which is not necessarily the same agency for indirect costs.

- d. Plans and Proposals. Recipients that intend to seek payment for indirect costs must prepare a CAP or an ICRP or elect the de minimis rate when qualified. In Federal financial assistance awards, CAPs and ICRPs must be approved by FTA or another legally designated cognizant Federal agency pursuant to that agency's policies and requirements or use the de minimis rate when qualified. Pursuant to 2 CFR 200.211, a

Federal award must include identification of the indirect cost rate for the Federal award (including if the de minimis rate is charged).

An organization's indirect cost plan is related to a specific fiscal year. For FTA awards, this may require multiple CAPs or ICRPs to address an award's specific period of performance. In the absence of an approved plan or when a recipient does not qualify or elect the de minimis rate, the applicant or recipient may not include or charge indirect costs to a particular Award.

- (1) The CAP is a plan that distributes the costs of a State or local government's executive and central level support functions to those operating organizations (usually at a lower tier level) within the government that benefit from them. These documents are also referred to as a Statewide Cost Allocation Plans (SWCAP) or Local-wide Cost Allocation Plans (LWCAP). All SWCAPs must be submitted annually to DHHS for approval. DHHS is the cognizant agency for all States. Each major local government is also required to submit a plan to its cognizant agency for indirect costs annually. For purposes of determining cognizant agencies, Appendix V to Part 200 defines major local governments as those local governments that receive more than \$100 million in direct Federal awards subject to Part 200. All other local governments claiming central service costs must develop a plan and maintain the plan and related supporting documentation for audit. These local governments are not required to submit their plans for Federal approval unless they are specifically requested to do so by the cognizant agency for indirect costs. The costs approved under these plans may, at the option of the State or local government, be incorporated into the ICRPs of a recipient agency within the government. FTA includes submission requirements in Appendix H, CAPs, and general CAP requirements for State, local, and tribal governments in Appendix V to 2 CFR Part 200 for further information.
- (2) The ICRP is a financial document that is updated annually at the operating agency level and distributes the administrative support and/or overhead costs of that agency to the programs (and the grants and cooperative agreements thereunder) that benefit from them. ICRP may include the allocable portion of central service costs approved in the SWCAP/LWCAP. See Appendix I Indirect Cost Rate Proposals, for further information regarding FTA requirements and the appropriate appendix to 2 CFR Part 200 for a particular entity type.

An applicant or recipient is eligible to apply a de minimis indirect cost rate of up to 15 percent if they receive less than \$35 million in Federal funding. The recipient is authorized to determine the appropriate rate up to this limit. The percent de minimis selected is applied to modified total direct costs (MTDCs). Unlike CAPs and ICRPs, when electing the de minimis rate, the cognizant agency for indirect costs is not required to review costs, plans, and agreements. The de minimis rate may be used for an indefinite period of time once elected, but organizations must still be compliant with the financial threshold in future fiscal years. Organizations

may elect the de minimis rate even if previously holding a negotiated rate. Requirements for development and submission of ICRPs and CAPs are contained in Appendices III–VII and Appendix IX of 2 CFR Part 200, as follows:

| Entity Type | Applicable Appendix to 2 CFR Part 200 | Federal Cognizant Agency for Indirect Costs |
|---|--|--|
| State and Local Airport, Port Authority, or Transit District | Appendix V – (CAP) Appendix VII – (ICRP) | Department of Transportation |
| State Government | Appendix V – (CAP) Appendix VII – (ICRP) | Department of Health and Human Services (DHHS) |
| State, Local Housing, or Development District | Appendix V – (CAP) Appendix VII – (ICRP) | Department of Housing and Urban Development (HUD) |
| Local Government | Appendix V – (CAP) Appendix VII – (ICRP) | Cognizant Agency for Indirect Costs—determined by the agency providing the most direct Federal funding or special arrangement between concerned Federal agencies |
| Tribal Governments | Appendix V | Department of the Interior (DOI) |
| University (Institute of Higher Education) | Appendix III | Department of Health and Human Services (DHHS) or Department of Defense Office of Naval Research (DOD Navy) based on amount of funding |
| Nonprofit | Appendix IV | Cognizant Agency for Indirect Costs—determined by the agency providing the largest funding amount or special arrangement |
| Public Assistance Agency | Appendix VI | Department of Health and Human Services (DHHS) |

8. PROGRAM INCOME.

- a. General. Recipients are encouraged to earn income to defray program costs where appropriate.

FTA's program income policy for State, local governments, Indian tribes, and for institutions of higher learning and nonprofit organizations are at 2 CFR 200.307, as modified by 2 CFR 1201.80. The "Program Income" provisions of 2 CFR 1201.80 supersede the "Program Income" provisions of 2 CFR 200.307, as further described in the latest FTA Master Agreement, to the extent that the two sections are inconsistent. FTA recognizes program income to be gross income (minus the cost of generating program income) earned by the recipient, or subrecipient, that is directly generated by a supported activity, or earned only as a result of the Federal award during the period of performance, per 2 CFR 200.1. The Federal awarding agency or pass-through entity must include start and end dates of the period of performance in its Award. Program income includes, but is not limited to, the following income:

- (1) Fees for services performed;
 - (2) The use or rental of real or personal property acquired under its Award;
 - (3) The sale of commodities or items fabricated under its Award;
 - (4) License fees and royalties on patents and copyrights;
 - (5) Advertising/concessions specifically required by the Federal award, and pertaining to specific activities or accomplishments which result from performance of the Federal award; or
 - (6) Payments of principal and interest on loans made with Federal assistance.
- b. Funds Not Considered Program Income. Interest earned on advances of Federal assistance is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, taxes, special assessments, levies, and fines raised by a recipient and subrecipient, and interest earned on any of them. Proceeds from the sale of real property, equipment, or supplies are not program income, unless the proceeds are due to a joint development as described in FTA Circular 7050-1C.
- c. Cost of Generating Program Income. In determining the total amount of program income that a recipient has earned from its project, those costs incident to earning program income that have not been charged to the Award may be deducted from the recipient's gross income.
- d. Governmental Revenues. Taxes, special assessments, levies, fines, and other such revenues raised by a recipient or subrecipient are not program income unless the revenues are specifically identified in the Award, documents incorporated by reference into the Award, or Federal awarding agency regulations as program income.
- e. Property. Proceeds from the sale of real property or equipment are not program income. Such proceeds will be handled in accordance with the requirements of 2 CFR Part 200,

subpart D, “Post Federal Award Requirements, Property Standards,” 2 CFR 200.311 “Real property,” and 2 CFR 200.313 “Equipment,” or as specifically identified in Federal statutes, regulations, or the terms and conditions of its Award.

- f. Use of Program Income. Unless FTA determines otherwise in writing, the recipient may use program income earned during the period of performance of the grant or cooperative agreement as follows:
- (1) The recipient may retain the income for other capital or operating public transportation expenses. If the recipient chooses not to use program income for current or future FTA grants or cooperative agreements or for other public transportation purposes, then the amount of program income used for non-public transportation-related purposes will be deducted from the total allowable costs to determine the net allowable costs.
 - (2) For each research-type project or related activities, the recipient may add to the Award.
 - (3) Depending on Federal statutory or regulatory restrictions, the recipient may use the program income for the non-Federal share for a future public transportation project that will receive Federal assistance provided by FTA.
- g. Special Provisions for Program Income. FTA’s programs have specific requirements for some types of program income and recipients should consult the applicable program circular for more detail about the use of program income under that specific program.

For example, for some FTA capital programs, revenues from the sale of advertising and concessions may be used as non-Federal share or can be retained as part of a recipient’s undisbursed cash surplus. For other programs, income from a service agreement with a State or local social service agency or a private social service organization to provide transportation may be used as the non-Federal share for the Award in which the income is earned. In all other cases, program income may not be used to reduce the non-Federal share of the Award from which it was earned, but may be used as non-Federal share for future awards.

- h. Income after the Performance Period of the Award. Except as otherwise determined in writing, the recipient has no obligation to FTA regarding the disposition of program income earned after the end of the period of performance of the Award. FTA may negotiate agreements with recipients regarding appropriate uses of program income earned after the period of performance as part of the closeout process for the Award.
- i. Farebox Revenue. Farebox revenue may not be used as non-Federal share for any of FTA’s grant programs. Farebox revenue is used to determine “net project cost” for operating assistance grants only. Farebox revenue is not considered program income for capital assistance grants. Farebox revenue must be subtracted for the time frame in which a project sponsor is requesting reimbursement. FTA is not permitted to reimburse

for costs that could be covered by farebox revenue, and thus an applicant cannot defer this farebox revenue for future costs (see FTA Circular 9050.1A and FTA Circular 9040.1H).

9. SINGLE AUDIT.

- a. General. Title 2 CFR Part 200, subpart F, “Audit Requirements,” and the current OMB Compliance Supplement provide the requirements for annual audits of recipients, also known as the Single Audit. Documentation regarding Single Audit requirements is available on the [OMB website](#).

States and Designated Recipients are responsible for ensuring that required Single Audits are performed by subrecipients pursuant to the requirements of 2 CFR Part 200, subpart F, “Audit Requirements,” resolving audit findings, and bringing problems to FTA’s attention. FTA has not required States and Designated Recipients to ensure that an annual financial audit of a subrecipient is performed when assistance is provided solely in the form of capital equipment procured directly by the State or Designated Recipient. Even if the amount of FTA funds the recipient passes to a particular subrecipient does not trigger the requirement for Single Audit, the recipient may wish to review Single Audit reports prepared for subrecipients that are required to be audited because the total Federal funds from all sources exceeds the threshold (currently \$1,000,000). At a minimum, recipients should require subrecipients to bring to the attention of the recipient any audit findings relevant to their use of FTA funds.

- b. Requirement. In accordance with 2 CFR 200.501(a) and (b), recipients that expend \$1,000,000 or more in a year in Federal assistance from all sources must have a Single Audit conducted, except when they elect to have a program-specific audit conducted, 2 CFR 200.501(c). Recipients are required to obtain the services of an independent auditor to conduct a Single Audit each year in conformance with 2 CFR Part 200, subpart F, except if a State constitution or statute provides for a single biennial audit or as permitted by 2 CFR 200.504. The independent auditor is required to determine and report on whether the recipient has internal control systems that reasonably assure that the recipient is managing Federal assistance programs in compliance with applicable laws and regulations.

The audit and data collection form must be completed, and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the Auditor’s Report(s), or nine months from the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day.

Recipients submit audit packages to the FAC, which is the repository of record for the Single Audit required under subpart F of 2 CFR Part 200. All Federal agencies, pass-through entities, and others interested in a reporting package and data collection form must obtain it by accessing the FAC. The auditee must submit required data elements described in Appendix X to Part 200—Data Collection Form (Form SF-SAC), which state whether the audit was completed in accordance with Federal audit requirements.

The data must include information available from the audit required so that Federal agencies may use the audit to ensure integrity for Federal programs.

Recipients must keep one copy of the data collection form and one copy of the audit reporting package on file for three years from the date of submission to the Federal Clearinghouse. Recipients are required to determine whether certain subrecipients as described in 2 CFR 200.331 spend the Federal assistance they receive in accordance with applicable laws and regulations. Audit judgment concerning the recipient's determination is left to the independent auditor. Pass-through entities must keep subrecipients' submissions on file for three years from date of receipt.

- c. Purpose. The purpose of the Single Audit is to determine whether the recipient:
- (1) Has prepared financial statements that fairly present its financial position, the results of its financial position, and the results of its financial operations in accordance with GAAP;
 - (2) Has in place internal accounting and other control systems to provide reasonable assurance that it is managing its Federal assistance programs in compliance with applicable laws and regulations; and
 - (3) Has complied with laws and regulations that may have material effect on its financial statements and on each of its major Federal assistance programs.
- d. Resolution of Audit Findings. Recipients and subrecipients are responsible for prompt follow-up and corrective action on all audit findings and recommendations. Specific direction is provided in 2 CFR Part 200, subpart F. Among these responsibilities, the auditee must develop a schedule of prior audit findings and a corrective action plan that includes findings relating to the financial statements reported in accordance with Generally Accepted Government Auditing Standards (GAGAS). These responsibilities require that the recipient or subrecipient:
- (1) Promptly evaluate the Audit Report;
 - (2) Determine the appropriate follow-up actions and establish a date for their completion; and
 - (3) Complete all required actions within the established period of time.

Among other audit-related actions, FTA must provide technical advice and counsel to auditees and auditors as requested and must follow-up on audit findings to ensure that the recipient takes appropriate and timely corrective action. Because of these requirements, the recipient should monitor and report the status of outstanding audit findings and recommendations in progress reports and, where appropriate, significant events reported.

10. PAYMENT PROCEDURES.

- a. General. Provisions in 2 CFR 200.305 and 31 CFR Part 205 govern payments to recipients for financing operations under Federal assistance and other programs. These regulations require that advance payment to a recipient be limited to the minimum amounts needed and timed to be in accord with only the actual, immediate cash requirements of the recipient in carrying out the purpose of the Award. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the recipient for direct program or costs of the Award and the proportionate share of any allowable indirect costs. The recipient must make timely payment to third-party contractors in accordance with the third-party contract provisions.
- b. Verify the Availability of Federal Assistance. Before a potential recipient requests Federal assistance, they should verify in TrAMS that the amount of Federal assistance to be accessed is available for the Award. Federal assistance should not be requested in amounts greater than the “Available Funds” reported in TrAMS.
- c. Payment Methods. FTA makes all payments by the Treasury’s Automated Clearing House (ACH) method of payment, regardless of the dollar amount involved. ACH electronically sends payment to a payee’s account. The payments to recipients are made using various methods. Recipients may complete an ACH request by downloading the form from the [ACH website](#).
- d. Electronic Clearing House Operation (ECHO) Payment. ECHO is an FTA web-based application system that processes drawdown payment requests from FTA recipients. Recipients can access ECHO via the Internet to submit their drawdown request. ECHO then transmits requests approved for payment to the recipient’s financial institution through Treasury’s ACH process. For further information, see FTA’s [ECHO-Web User Manual](#).
- e. Requisition Payment. See the [FTA ECHO-Web-grantee payment request system web page](#). For awards requiring more detailed review of supporting documentation before receiving Federal assistance and as determined by the FTA Manager for the Underlying Agreement, FTA will use the DELPHI eInvoicing System. Visit the USDOT [DELPHI eInvoicing System website](#) for more information.
- f. Reimbursement Procedures for Research, Technical Assistance, and Training Programs. See FTA Circular 6100.1E.
- g. Policy for ECHO Payments. FTA makes all payments by electronic funds transfer, regardless of the dollar amount involved. Payments are made under the ECHO-Web system, by means of an ECHO control number assigned to the recipient. The recipient agrees to comply with the ECHO-Web requirements contained in the Treasury Regulations, 31 CFR Part 205, “Rules and Procedures for Efficient Federal-State Funds

Transfers,” specifically 2 CFR 200.305, “Federal Payments,” and as set forth in FTA’s ECHO-Web system operations manual.

Disbursement guidelines are in accordance with policies established by the Department of the Treasury and by the applicable FTA grant or cooperative agreement. These guidelines state that the recipient must commit itself to:

- (1) Initiating cash drawdowns for immediate disbursement (no later than three business days for disbursement). Excess Federal assistance held more than three days must be returned to FTA along with any interest earned. See “Repayment to FTA” below for detailed information on requirements to remit interest.
- (2) Reporting large disbursements to the appropriate FTA Regional Office in advance of the transaction settlement date. The recipient must provide a minimum notice of two business days for a disbursement totaling \$50 million or more, and a minimum notice of five days when a disbursement of more than \$500 million is anticipated. When specific information has not been finalized, the recipient must inform the FTA Regional Office of approximate amount(s) and approximate deposit date(s). The FTA Headquarters Accounting Payable Division should be notified by the FTA Regional Office due to the requirement that FTA must provide the Treasury 48 hour’s notification prior to drawdown of Federal assistance exceeding \$50 million.
- (3) Reporting cash disbursements and balances in a timely manner as required by FTA;.
- (4) Imposing the same standards of timing and amount upon any secondary recipients;
- (5) Limiting drawdowns to eligible costs to implement the Award, which would include not drawing down Federal assistance for its award in an amount that would exceed the sum obligated by FTA or the current available balance for that award;
- (6) Providing control and accountability for all Federal assistance consistent with FTA requirements and procedures for use of the ECHO System;
- (7) Furnishing reports of cash disbursements and balances, when required by means of the FFR;.
- (8) Recipients cannot return funds (overpayments/credits) for projects from which they have not requested funds in three or more years. ECHO-Web does not support return payments with accrued interest, isolated return payments, or return payments too large to be offset by a requested amount. Recipients who are not able to use the ECHO-Web system shall follow the repayment procedures listed below.

h. Excessive or Premature Withdrawals.

- (1) General. For excess payments made by the Federal Government to a recipient, the recipient agrees that the amount of interest owed to the Federal Government depends on whether the recipient is a State or State instrumentality.
 - (a) A recipient that is a State or State instrumentality agrees that interest owed to the Federal Government will be determined in accordance with Treasury regulations, “Rules and Procedures for Efficient Federal State Funds Transfers,” 31 CFR Part 205 that implements Section 5(b) of the Cash Management Improvement Act of 1990, as amended, 31 U.S.C. 6503(b).
 - (b) A recipient that is neither a State nor a State instrumentality agrees that common law interest owed to the Federal Government will be determined in accordance with joint Treasury / Department of Justice regulations, “Standards for the Administrative Collection of Claims,” at 31 CFR 901.9(i).
- (2) Exceptions. The only exceptions to the requirement for prompt refunding are when the Federal assistance involved:
 - (a) Will be disbursed by the recipient within seven calendar days; or
 - (b) Is less than \$10,000 and will be disbursed within 30 calendar days.

These exceptions to the requirement for prompt refunding should not be construed as approval for a recipient to maintain excessive Federal assistance. They are applicable only to excessive amounts of Federal assistance that are erroneously drawn.

- (3) Return of Federal Assistance. The return of Federal assistance is accomplished as follows:
 - (a) FTA requests the recipients to remit the excessive cash and any interest electronically to FTA using the [U.S. Treasury’s Pay.Gov Financial Collection System](#). Once you have gained access to the website: (1) click on “Make a Payment;” (2) scroll down to “Search by keyword” and enter “FTA;” and (3) choose the appropriate form (FOIA Fee, Grantee Refunds/Over Payments, or Vendors/Employees). The recipient must provide the requested information and submit. Note: If making an ACH payment from your bank account, please select “ACH Direct Debit” as the payment type.
 - (b) Although paper checks are discouraged, recipients may mail refund checks to FAA (FTA’s Accounting Service Center) in Oklahoma City. If a single check is used to remit the premature withdrawal and the interest, the amount of each must be separately identified and accompanied by a letter explaining the purpose of the check(s) and identifying the FAIN or project number. A copy of the check and the letter should be sent to the recipient’s FTA

Regional Office. Additional information pertaining to the mailing of checks is located below.

- (c) Returns may also be made through ECHO-Web, but only as a net against a future drawdown.
 - (d) While ECHO-Web is primarily designed as a payment request system, the system does not allow for funds to be returned directly, so any amounts returned via ECHO-Web must be netted against requested funds. The recipient can make a return payment only when requesting a new payment and must be processed in the same request. Also, the Total Requested Amount (which calculates the Request minus the Return) must be a positive number. Recipients who are not able to use the ECHO-Web system shall follow the repayment procedures listed above.
- (4) Repayment to FTA. FTA program managers will be alerted to any information that may indicate a potential repayment. The following are possible reasons for payments becoming due to FTA:
- Insufficient eligible funds to match Federal payments;
 - The sale of equipment acquired or improved to implement the award; ,or
 - Excessive Federal assistance in the account for the award.
- (5) Repayment Procedure. Required repayments must be made promptly to FTA. Recipients can submit repayments through the [Treasury's Pay.gov Financial Collection System](#) for all refunds and repayments. Refunds by check should be processed using the following steps:
- (a) Make the check payable to the "Federal Transit Administration;"
 - (b) Mail all checks to the FAA/Federal Transit Account as follows:
 - i **Regular Mail:** DOT/FAA (FTA Account), ESC, AMZ-300, PO Box 269041, Oklahoma City, OK 73125; or
 - ii **Overnight Mail:** DOT/FAA (FTA Account), ESC, AMZ-300, 6500 S. Macarthur Blvd, HQS Bldg. RM 181, Oklahoma City, OK 73169, Attn: Rhonda Manuel (405-954-8195);
 - (c) Specify the applicable FAIN(s) or project number(s) on the check;
 - (d) Provide a written explanation as to the purpose of payment (Also include the type of funds used for the applicable grant);
 - (e) Send a copy of the check and the explanatory letter to the recipient's Regional Office.

11. DEOBLIGATION OF FEDERAL ASSISTANCE. FTA may deobligate unspent Federal assistance before closeout of the Award.

12. DEBT SERVICE RESERVE. Transit agencies that use debt financing in the form of bonds are often required by the terms of the Bond Indenture to establish a Debt Service Reserve (DSR). The Bond Trustee is required to establish a DSR with the proceeds of the bond issue. Usually, the DSR remains untouched for the term of the bonds and is used to make a subsequent debt service payment only if the recipient has insufficient funds to do so. If the DSR is used in this way, the recipient must replenish the DSR from its own funds and within the time frames outlined in the Bond Indenture or be in default. When there is no default, the balances remaining in the DSR are used to make the last debt service payment to the extent of such balances. Required DSRs may now be financed with FTA assistance. However, to the extent of FTA assistance, any particular DSR may only be used to pay principal and/or interest on the bonds. Therefore, recipients intending to fund a DSR with FTA assistance may also wish to include some non-FTA funds if the terms of the Bond Indenture allow use of DSR for other items, such as late fees or Bond Trustee expenses related to default.

APPENDIX A:

REQUIRED PREREQUISITE DOCUMENTATION

Consistent with 49 U.S.C. 53, a recipient must certify that it has or will have the legal, financial, and technical capacity to carry out the program. This is usually completed through the submission of annual Certifications and Assurances; however, there are additional documentation requirements that support these capacities as well as assist in meeting award requirements, system access, and related administrative requirements.

Typically, these documents are required for new recipients and updated for existing recipients as needed. However, new recipients must submit documentation of legal capacity prior to receiving a grant and ensure that staff have access to FTA's award management and financial systems prior to making an award. To support recipients in meeting the expectations surrounding these requirements, consult the sample prerequisite documents listed below.

FTA houses sample documents online, including an [Opinion of Counsel](#) for the Opinion of Counsel, [sample Authorizing Resolution](#) for the Authorizing Resolution, and [Designation of Signature Authority](#) for the Delegation of Authority, that applicants and recipients must provide prior to award. The following summarizes these prerequisite documents:

- **Opinion of Counsel:** Each recipient must be legally empowered to carry out the activities specified in the Award. The Opinion of Counsel notes that officials acting on behalf of the applicant must have appropriate authority designated by State or local law or by the governing body of the applicant.
- **Authorizing Resolution:** Each recipient organization must have a resolution or equivalent from the recipient's Board of Directors or equivalent Authorizing Official to be responsible for applying for assistance and legally committing the applicant or recipient to compliance with terms of an award. The Authorizing Resolution must cite the legal authority that enables an organization to apply for, receive, and spend FTA funds and to provide local match, if required. It must be adopted or executed according to the applicant organization's standards.
- **Delegation of Authority:** Each recipient organization must identify the positions or individuals with signatory authority. The delegation of authority assigns an individual access to TrAMS to electronically sign or PIN the annual Certifications and Assurances, submit applications, or execute awards.
- **Designated Recipient Documentation:** Certain FTA assistance programs are apportioned to a Designated Recipient and then suballocated through a planning and programming process. The Designated Recipient must have the legal authority to receive and apportion funds. The suballocations must be agreed to and documented.

APPENDIX B:

AWARD DEVELOPMENT

1. INTRODUCTION. This appendix provides instruction for preparing an FTA application and developing an award budget, as well as information regarding an approved award budget. An FTA award obligates a recipient to undertake and complete activities defined by the scope of work and the budget incorporated into the grant or cooperative agreement. An award budget is the approved financial plan that FTA and the recipient agree that the recipient will follow in carrying out the purposes of the Award.

Applicants use FTA's electronic award management system, TrAMS, to prepare applications and develop project budgets based on requirements incorporated into the system, government-wide guidance, information contained in the program circulars and NOFOs, and this circular. The TrAMS User Guide provides detailed instructions on how to create a project budget within the system.

2. PREAPPLICATION STAGES.

- a. System Access. Applications for the FTA grant program funds must be submitted electronically through the FTA electronic management system, TrAMS. Applicants must have access to the system in order to enter an application. If an applicant does not have access to TrAMS, the applicant's representative should contact the appropriate FTA Regional Office for assistance. Contact information for FTA's Regional Offices can be found in Chapter I, Section 3: "How to Contact FTA."
- b. Planning. Before application submission, project planning requirements should be complete and properly documented. Project activities to be funded should be included in a federally approved TIP or STIP for capital projects or a UPWP or SPWP for planning projects.
- c. Environmental Determination. The impact that a proposed FTA-assisted project will have on the environment must be evaluated and documented in accordance with NEPA (42 U.S.C. 4321 et seq.) before application. The environmental determination may be made as part of the grant review process for preventive maintenance, vehicle acquisition, and other similar activities, and recipients are encouraged to contact their FTA Regional Office prior to application for additional guidance on environmental requirements.
- d. Annual Submission of Certifications and Assurances. Applicants for FTA financial assistance programs must annually submit Certifications and Assurances applicable to their awards during the fiscal year. Applicants should examine the Certifications and Assurances annually for changes, deletions, and additions.

-
- e. Civil Rights Submissions. Civil rights submissions that may be required include a Title VI Plan, EEO Program, DBE Program, DBE Goals, and (for demand-responsive service in which inaccessible vehicles are used) demonstration of equivalent service under the Americans with Disabilities Act of 1990. The recipient is responsible for ensuring that (1) all required civil rights submissions are current at the time the application is submitted in TrAMS and that (2) FTA’s regional civil rights officer verifies the submissions. The required documentation must be submitted before the official submission of the application. An applicant should maintain readily available records of FTA approvals of civil rights submissions in the event a question concerning compliance should arise (see Chapter II, “Civil Rights”). FTA’s Office of Civil Rights may request additional information needed to affirm that the proposed project or elements thereof are in compliance with Federal civil rights requirements, and/or reports on activities and progress to address findings identified in civil rights compliance reviews and assessments.
- f. Flexible Funding Documentation (If Applicable). Some funds appropriated to FHWA can be used to support transit projects, and some funds appropriated to FTA can be used to support highway projects. These “flexible” or “flex” funds may be transferred, under the authority provided by 23 U.S.C. 104(f) and 49 U.S.C. 5334(i), between FHWA and FTA for eligible highway or transit projects, respectively. An applicant seeking the use of flexible funds for its program, or a portion of it, must first make sure that the funds are available locally, in accordance with the specific project selection process for the local area. Once this resource of funds is included in the TIP and incorporated into the STIP, the applicant informs the State transportation agency that an application is in development to FTA for the use of flexible funds and requests that the State inform FHWA of the need to transfer the funds to FTA for obligation (in some States, in practice, the MPO or FTA notifies the State transportation agency). Once the State highway / transportation agency determines that the State has sufficient obligation authority, the State agency notifies FHWA that the agency will use the funds for public transportation purposes and requests that FHWA transfer funds for the project to FTA. Information showing that these processes are underway should be included in the application. The applicant should also include the type of flexible funds, the amount, the purpose for which the funds will be used, and where they appear in the STIP.
- g. SAM Registration. Any organization applying for and receiving Federal financial assistance must maintain an active SAM registration to maintain eligibility and compliance with award terms. Information on SAM registration is available on the [SAM website](#).
3. APPLICATION SUBMISSION. Applicants must submit financial assistance applications electronically in TrAMS. The TrAMS User Guide, available on the home page, provides detailed information on how to access and use FTA’s system. It also covers the creation, submission, award, and execution of an application; reporting requirements; amendments; budget revisions; and closeout procedures. Applicants should enter the following information into the system when preparing an application:

-
- a. Recipient Information. Applicants should enter or update all required information about their organization and their prerequisite documentation. The information must be current and accurate for each award and should be periodically updated as changes occur.
 - b. Award Information. Certain basic information required on the Federal Grant Application Standard Form 424 is incorporated into the project setup fields. Applicants must identify whether the application is a new award or an amendment. They must also include the period of performance end date and provide other required information outlined in the application process.
 - c. Award Description. This information must be in sufficient detail for FTA to obtain a general understanding of the nature and purpose of the planned activities. There are specific elements required by OMB to be included in the award description. The following five elements are to be provided for each award and written in plain language: (1) Purpose; (2) Activities to be Performed; (3) Expected Outcomes; (4) Intended Beneficiaries; and (5) Subrecipient Activities.
 - d. Special Planning, Documentation, and other Considerations. In addition to the items outlined above, some applications have other considerations during development. This list is not exhaustive.
 - (1) Program Date and Page of TIP and STIP or SPWP and UPWP. All projects using capital or operating funds must be included in the current TIP/STIP. The TIP/STIP is jointly approved by FTA and FHWA. FTA funds cannot be obligated unless the TIP/STIP is approved by FTA. The application should note the page(s) (or other location reference) in the most recently approved TIP/STIP on which the project(s) or phase of project(s) contained in the application is listed. TrAMS has a field designated “program date” where the date of the most recent FTA/FHWA TIP/STIP approval should be entered. If the Award includes planning activities, the SPWP/UPWP date should be entered here, if possible, or in the project details section.
 - (2) Designated Recipient Documentation. Certain FTA assistance programs are apportioned to a Designated Recipient and then suballocated through a planning and programming process. The Designated Recipient must have the legal authority to receive and apportion funds. The suballocations must be agreed to and documented.
 - (3) Information to Support Engineering / Technical Review. For projects involving construction or rehabilitation work, FTA reviews the information provided with the application, along with any pertinent documents that may be on record, to make a determination on such things as reasonableness of cost, sufficiency of preliminary engineering and design work completed, and eligibility of force account costs.

-
- (4) Indirect Costs. If indirect costs are included in the Federal award, the applicant must provide approval documentation and complete the Apply Indirect Costs Related Action in TrAMS.
 - (5) Fleet Status. Applications submitted requesting new or replacement revenue vehicles should include, under Fleet Status on the Recipient Fleet Summary within TrAMS, a summary of the composition of the applicant's entire fleet, including the applicant's spare ratio. In the case of replacement, the applicant should state that the vehicles being replaced have met the minimum useful life criteria. Official property records with more detailed information about the fleet (or a Rolling Stock Status Report) must be available upon request by FTA. The source of some of this information may be from the documentation developed during the metropolitan and statewide transportation planning processes. In this case, summary information and precise reference to the earlier material will be acceptable. A sample Rolling Stock Status Report is included in Appendix F of this circular
4. DEVELOPING THE BUDGET. For FTA awards, groups of activities often relate logically to each other; a group of related activities is called a project. Several projects form an overall program. A recipient may apply for a POP in a single award. The project budget is designed to group activities for a single project or a POP within an established set of Scope Codes that have various related activities with the same broad purpose. In the budget, activities are outlined as ALIs that are grouped under a Scope Code. TrAMS requires that each award contain at least one project and have one Scope Code and related ALI. FTA makes awards at the Scope Code level to establish the purpose of a group of activities. FTA derives the numbering of both the scope and activity levels of information on the approved project budget from the activity codes in TrAMS using the [ALI Tree](#). Individual ALIs may have different required descriptive, reporting, or local share requirements. The ALI Tree is available on the FTA and TrAMS websites.

To illustrate, some operating assistance programs use the Scope Code 300. The ALIs that stem from this Scope Code use the first two digits, 30, to outline a specific type of activity. ALI 30.09.01 is used for the 50 percent Federal share of operating assistance. The ALI 30.80.01 is used for the Congestion Mitigation and Air Quality (CMAQ) Improvement Program operating assistance for new service that FTA finances with an 80 percent Federal share.

- a. General Budget Requirements. Applications need to include enough detail in the descriptive information to allow FTA staff to make decisions regarding the allowability of items of cost included in the budget. The appropriate scopes and ALIs should be used when developing the project budget.
 - (1) Project Milestones. Every ALI in a budget must have associated project milestones. TrAMS will automatically generate milestones for some ALIs; for example, rolling stock purchases will have five associated milestones. If it does not prepopulate specific milestones for a particular ALI, use the add function to add a

minimum of two milestones reflecting the estimated start and end dates for that ALI to the application. Recipients should include estimated milestone dates for such events as bid advertisement, bid award, and contract completion.

- (2) Environmental Findings. The application should include a proposed classification of each project, or ALI in some circumstances, in accordance with FHWA/FTA/FRA Environmental Impact and Related Procedures (see 23 CFR Part 771). Applicants should refer to 23 CFR 771.118 for a listing of FTA's CEs. Many projects may meet the criteria for a C-list CE (771.118(c)) and may require limited documentation to support a CE determination. However, if a project does not clearly meet the criteria for a C-list CE, an applicant is strongly encouraged to contact FTA's Regional Office for assistance in determining the appropriate environmental review process and level of documentation necessary.
- b. Specific Budget Requirements. Some specific budget requirements are highlighted below, but for more information on the documentation requirements for these types of projects, consult the FTA program circular or FTA Regional Office.
- (1) All rolling stock procurements must include vehicle description and fuel type; expansion activities must include discussion on vehicle needs. The project budget should reflect the precise activities for which the award funds will be used, and the budget should be prepared in accordance with applicable program requirements.
 - (2) Associated transit improvement applications must include a Scope Code for associated transit improvements and specific budget ALIs for associated transit improvements.
 - (3) For applications with facility construction projects, the applicant should indicate the level of engineering work completed, and include the results of that work (i.e., appropriate drawings and cost estimates). FTA needs site selection studies and any pertinent information or documentation concerning environmental work performed for projects involving land acquisition and construction.
- c. Administrative Caps and Required Set-Asides. Some FTA programs have funding limitations or required spending as part of legislative requirements. When there are such requirements, recipients must note this in the award application's executive summary in TrAMS. For administrative spending caps, such as the Tribal Transit Program's cap of 10 percent, recipients include this information in the executive summary to document any deviation from the submitted agreement documentation. For set aside requirements, such as the security 1 percent set aside for Section 5307 awards, recipients include summary information in the executive summary and note specifics under the related ALI descriptions.
- d. Indirect Costs. If an application includes indirect costs, narratives, budgets, and ALI descriptions, then the application should include indirect cost information developed

from the rate, base, and other items outlined in the indirect cost rate agreement, CAP, or de minimis rate. This is in addition to providing the approval documentation and completing the Apply Indirect Costs Related Action section in TrAMS. If there are specific limitations on administrative or indirect costs, the application should note the deviations. Additional information on FTA program limitations is outlined in the respective program circulars.

- e. ADA-Specific Eligible Activities. When applications include items specific to addressing ADA concerns, budgets should include the appropriate ALI for the relevant capital activity. For example, ADA paratransit operations remain an eligible operating expense, at a 50 percent Federal share, for recipients otherwise eligible for operating assistance (e.g., those located in small UZAs or with fewer than 100 buses in maximum fixed-route service).
- f. Format for Capital Assistance. Capital expenditures include those items defined as “capital” in 49 U.S.C. 5302. Vehicles can be purchased either for replacement or expansion purposes. Careful attention to use of the appropriate ALI codes enables FTA to report accurately on the use of formula and discretionary funds, for example in the annual statistical summary report.

For capital projects, the recipient should first select the appropriate Scope Code. The appropriate scope varies depending upon program funding. Then for each scope, an ALI or ALIs should be selected.

In the following example (see Table B-1), a mix of rolling stock will be purchased, and the Scope Code selected includes the planned purchase of associated capital maintenance items. If an applicant wishes to include radios and fareboxes as part of this purchase, they could also list radios and fareboxes as part of the rolling stock scope. In such a case, the applicant would not include the quantities for the radios and fareboxes in the rolling stock total quantity under 111–010 but would indicate the amount in the ALI description.

TABLE B-1: Project Scope (Sample 1)

| Scope | Quantity |
|---------------------------|----------|
| 111–010 Bus–Rolling Stock | 6 |

| Activity | Line Items | Quantity |
|-----------|---|----------|
| 11.12.02 | Purchase 35-foot replacement buses with lifts | 4 |
| 11.13.03 | Purchase 30-foot buses with lifts for service expansion | 2 |
| 11.12. 40 | Spare Parts / Assoc Capital Maintenance Items | |

However, if an applicant proposes to purchase an entirely new fare collection system or radio communications system, the more appropriate classification might appear as follows:

TABLE B-2: Project Scope (Sample 2)

| Scope | Quantity |
|---|----------|
| 114-00 Bus—Support Equipment and Facilities | 45 |

(Note that in the example in Table B-2, the activity code description appropriate to this Scope Code, Bus—Stations/Stops/Terminals, has been overwritten to provide a more accurate description.)

| Activity | Line Items | Quantity |
|----------|-----------------------------------|----------|
| 11.42.06 | Shop Equipment | |
| 11.42.10 | Purchase Fare Collection (mobile) | 45 |

| Scope | Quantity |
|---|----------|
| 116-00 Bus Signal / Communications System | 70 |

| Activity | Line Items | Quantity |
|----------|------------------------------|----------|
| 11.61.01 | Design Bus Signal System | |
| 11.62.02 | Acquire Communication System | |
| 11.62.03 | Purchase Bus Radios | 70 |

From these examples, it is also possible to combine activities that are associated, but which do not necessarily match the first three digits of the Scope Code under which they appear. An applicant that operates a fixed guideway system or engages in a new start project will use scope level numbers that correspond to the fixed guideway and new start segments of the activity code chart; for example, Scope Code 121-01, 02...for Rail Rolling Stock; or 141-01, 02...for New Start Rolling Stock; or 123-01, 02...for Rail Stations; and 143-01, 02...for New Start Stations.

- g. Subrecipient Information. The design of the project budget can also accommodate subrecipient information in cases where a recipient such as the State wishes to track each subrecipient's projects separately. In the following examples, the applicant is purchasing rolling stock on behalf of two small operators. Under format option number 1 (seen in

Table B-3), FTA would base the determinations regarding budget revisions and scope changes on the quantity total of seven vehicles found at the scope level. Under format option number 2 (seen in Table B-4), FTA would base those determinations on the specific scope level quantity for each of the subrecipients—that is, quantities of three and four.

TABLE B-3: Presenting Subrecipient Information (Format Option 1)

| Scope | Quantity |
|---|----------|
| 111-00 Purchase Rolling Stock and Related Equipment | 7 |

| Activity | Line Items | Quantity |
|----------|--|----------|
| 11.12.03 | Purchase replacement buses w/lifts for Allegany County | 3 |
| 11.12.15 | Purchase vans w/lifts for Cumberland Transit System | 4 |

TABLE B-4: Presenting Subrecipient Information (Format Option 2)

| Scope | Quantity |
|--|----------|
| 111-01 Rolling Stock for Allegany County | 3 |

| Activity | Line Items | Quantity |
|----------|--|----------|
| 11.12.03 | Purchase replacement buses w/lifts for Allegany County | 3 |

| Scope | Quantity |
|--|----------|
| 111-01 Rolling Stock for Cumberland Transit System | 4 |

| Activity | Line Items | Quantity |
|----------|---|----------|
| 11.12.15 | Purchase vans w/lifts for Cumberland Transit System | 4 |

h. Two Budget Approaches to Large Capital Projects. An applicant can also choose which of the two format options above best suit its internal management of projects. For example, an applicant developing a bus rapid transit line may wish to develop separate scope level activities for each station and include the relevant activities under each, or the same applicant may wish to group all activity under one scope.

(1) In either case, the project budget can easily accommodate budget revisions since funds can be transferred between or among various scope level projects and their associated line items.

i. Format for Operating Assistance Across Multiple Fiscal Years or Recipients. As an example, within TrAMS, Scope 300 represents operating assistance for many programs. The ALI codes for operating expenses—30.09.01 and 30.80.01—appear on page eight of the ALI chart. ALI 30.09.01 is used for the 50 percent Federal share of operating assistance. The ALI 30.80.01 is used for the CMAQ improvement program operating assistance for new service, which FTA finances up to 80 percent Federal share. The scope for operating expenses is the first two digits, 300. If funding is being requested for more than one local fiscal year for the same applicant, FTA suggests that the applicant break down the funding at the activity level for each period of time. For instance, the first operating assistance activity under Scope 300 could be from 7/1/24–6/30/25 and the second operating assistance activity would then be 7/1/25–6/30/26. There may be more than one operating assistance activity within a Scope using this example.

| Scope | Line Item |
|--------|----------------------|
| 300-00 | Operating Assistance |

| Activity | Line Item |
|----------|----------------------|
| 30.09.01 | Operating Assistance |
| 30.09.01 | Operating Assistance |

Similarly, if a Designated Recipient is requesting formula assistance funding on behalf of more than one operator, the budget may separate operating assistance funding at either the scope level or the activity level.

5. APPLICATION SUBMISSION AND EXECUTION. Applications are built and submitted using TrAMS, which has two levels of review prior to issuing the Award for execution.

Once FTA deems the activities eligible, and determines that all preapplication requirements have been satisfied, FTA assigns a FAIN to the application. After FAIN assignment, the Award enters final reviews and is prepared for approvals and execution.

- a. Determination of Sufficient Funds. All sources of funds identified in the application must be identified and confirmed. The applicant should periodically examine the status of existing awards to ensure unused fund balances are in fact needed to complete the award’s scope of work. Recipients may deobligate any excess funds during their period of availability so that they may be reobligated into any pending or upcoming application within their organization. Funds remaining at the completion of the scope of work or the period of performance will be deobligated at closeout.
 - b. Department of Labor (DOL) Certification. If applicable, once the recipient submits the application, TrAMS forwards it to the DOL for certification.
 - c. Award Approval. Approval occurs upon completion of the initial and final reviews, once FTA staff determines that the application meets FTA program and other Federal requirements, after FTA awards and obligates funds requested, and once the Award is issued in TrAMS.
 - d. Execution. After FTA has approved and issued the Award, the applicant must execute the Award to accept the award agreement and associated terms and conditions before funds can be drawn down. Awards that indicate the use of pre-award authority are required to submit an initial FFR before execution.
6. APPLICATION CHECKLIST. Applicants should use the following checklist in preparing a complete application:

| APPLICATION CHECKLIST | |
|-------------------------------------|--|
| Part I—Recipient Information | |
| | Are annual Certifications and Assurances selected and signed by the authorized official and attorney? |
| | Is the Recipient Contact, Designated Signatory, Opinion of Counsel, and Authorizing Resolution complete? |
| | Is the union contact information entered accurately? |
| | Has the civil rights program documentation been approved by FTA and uploaded into TrAMS? |
| | Is congressional information up to date? |
| | Is the SAM registration active? |

| APPLICATION CHECKLIST | |
|---|--|
| Part II— Application Information | |
| | Does the executive summary include adequate detailed information of the project(s) including an appropriate project title? |
| | Is information on any subrecipient(s) and their project(s) included? |
| | Is it indicated whether the project is a new application or grant amendment? |
| | Does the application include an appropriate end date? |
| | If planning activities are included, are activities and program dates consistent with the dates provided in the UPWP/SPWP? If capital activities included, are activities and program dates consistent with the dates in the TIP/STIP? |
| | Are the applicable TIP/STIP or UPWP/SPWP approval dates and page numbers or location identifiers included in the application? |
| | If pre-award authority is applicable, has “yes” been selected? Is the pre-award date being used indicated in the application? |
| | If Federal debt delinquency is applicable, has “yes” been selected? (If yes, the grant applicant must provide an explanation in the details section.) |
| | Has the Executive Order 12372 review been completed, if applicable? |
| | Is sufficient information included to evaluate project-specific compliance with ADA, Title VI, and DBE requirements? |
| | Is the applicable UZA and congressional district information entered and accurate? |
| Part III—Budget | |
| | Are ALI codes entered under the appropriate Scope Codes and consistent with project descriptions? |
| | Are funding percentages and match ratios accurate? |
| | Does the funding amount entered in the budget match financial information entered in the “Project Information” field for each of the following? |
| | <ul style="list-style-type: none"> • Federal funds |
| | <ul style="list-style-type: none"> • Local match |
| | Does the rolling stock (vehicle) line item contain accurate information such as: |

| APPLICATION CHECKLIST | |
|---|---|
| | <ul style="list-style-type: none"> • Description |
| | <ul style="list-style-type: none"> • Fuel type |
| | Are quantities accurate? Numbers of vehicles should match the specific amounts of Federal funds and associated non-federal share provided, not a description of totals procured that include other sources of funds. |
| | Has descriptive information been added in the details section of each ALI that identifies the items being funded using the line item? (If appropriate and necessary.) |
| | For applicants in Urbanized Areas with a population of 200,000 or more (large UZAs), subject to PTASP, has the applicant explained how they have met the requirement to allocate at least 0.75 percent of their 5307 funding for safety-related projects? |
| Part IV—Project Milestones | |
| | Is there a minimum of two milestones listed for each ALI or scope? (Milestones can also be added even if they have standard milestones.) |
| | Have estimated completion dates been entered? |
| Part V—Environmental Findings (NEPA) | |
| | Has an environmental finding been entered for each ALI, scope, or project? |
| | For Categorical Exclusion II (d), EA, and EIS, has decision documentation been referenced or attached? |
| Part VI—Fleet Status | |
| | Has information pertaining to current and future revenue vehicles been entered? |

7. RECIPIENT FLEET SUMMARY. Shown here is a screen sample of a Recipient Fleet Summary, as seen in TrAMS.

ILLUSTRATION B-1: Recipient Fleet Summary Screenshot

Fleet Status | Recipient Fleet Summary

Existing Fleet

| Fleet Type | Peak Requirement | Spares | Spare Ratio | Contingency | Pending Disposal | Total | View |
|---------------|------------------|--------|-------------|-------------|------------------|-------|------|
| Light Rail | 44 | 19 | 20.45% | 0 | 0 | 63 | |
| Other | 0 | 0 | 0% | 0 | 0 | 0 | |
| Waterbourne | 3 | 0 | 0% | 0 | 0 | 3 | |
| Paratransit | 20 | 2 | 10% | 0 | 0 | 22 | |
| Commuter Rail | 121 | 25 | 13.22% | 0 | 12 | 158 | |
| Fixed Route | 0 | 0 | 0% | 0 | 0 | 0 | |
| Heavy Rail | 1 | 1 | 100% | 0 | 0 | 2 | |

CLOSE

8. ECHO CASH MANAGEMENT PROCEDURES AND FORMS. For further information regarding cash management procedures, refer to the [FTA ECHO-Web User Manual](#).

APPENDIX C:

POST-AWARD MODIFICATIONS

1. GENERAL. The recipient is responsible for managing and monitoring each project and related activities included in the Award to ensure that they are carried out in accordance with the scope of work and approved budget. When there are changes in plans, coordination with FTA is essential to ensure compliance with various award, program, and Federal requirements. This appendix offers some clarity for common post-award changes, but because of the complexity of issues, guidance provided here also requires contact with FTA Regional Offices managing awards.

The manner in which the applicant initially structures a budget during the grant application phase can facilitate or impede project management, particularly when unforeseen events require changes in the project. FTA's review of grant modifications will include a determination of whether or not the proposed change is significant enough to require DOL certification of employee-protective arrangements or if further environmental review is likewise necessary.

There are three ways to modify the Award: (1) through a revision to the award budget, (2) through an administrative amendment, or (3) through an amendment. FTA determines the appropriate type of modification. In certain circumstances, a recipient must receive FTA's prior approval of a revision to an award budget or cost category before incurring costs. FTA recommends including its regional staff in discussion prior to formal requests to ensure any appropriate approvals and requirements are met prior to formal submission. This is useful because there are occasions when FTA must document its review and concurrence before the recipient can incur costs associated with the proposed change. Whether FTA requires an amendment or permits a budget revision, with or without prior FTA approval before incurring costs, depends on the effect of the proposed change on the Award's scope of work. FTA requires a grant amendment if the request changes the scope of a grant.

Post-award modifications are electronically submitted, reviewed, and approved in TrAMS using one of the three methods described in the preceding paragraph to ensure the recipient can seek reimbursement consistent with the newly approved changes to the award budget.

2. POST-AWARD MODIFICATION GUIDANCE. The ultimate decision to approve post-award modifications lies with FTA. This means FTA is not bound to agree to the changes because they are proposed for a particular Award. As noted above, discussions with FTA regarding the proposed changes is essential. The chart below outlines some common scenarios and notes if prior FTA approval is required. The chart also shows which options are available to properly document the change in the Award. This should be used as a baseline in determining activities and does not bind FTA to a specific course of action

TABLE C-1: Post-Award Modification Scenarios

| Scenario | Prior Approval | Admin. Amendment | Amendment | Budget Revision |
|---|----------------|------------------|-----------|-----------------|
| Adding Scope Codes, projects, or new funds | Yes | Maybe | Yes | No |
| Changing period of performance end date | Yes | Yes | Yes | Yes |
| New ALIs under existing Scope Codes | Maybe | No | Maybe | Maybe |
| Change in project location or beneficiaries | Yes | Maybe | Maybe | Maybe |
| FPC transfers | Yes | Maybe | Maybe | Maybe |

To further clarify the rationales for these courses of action, consider the following items:

- a. Post-award modification must be reviewed to ensure consistency with legislative and programmatic requirements, including any time limits associated with the funding or legislation, NOFO and competitive requirements, as well as related civil rights, environmental, and workforce considerations.
- b. Because of an award's initial organization in TrAMS and how the system captures information, there are some post-award actions that require an amendment. Among other post-award changes, reorganizing TrAMS projects, including previously unrequested indirect costs, and adding or deleting Scope Codes require amendments.
- c. An award's scope of work is its purpose and is made up of various components, including the award budget, beneficiaries, locations, time frames and other aspects identified in the approved application. FTA reserves the right to consider other information in determining the "scope of the project," the "scope of work of a grant," or "the scope of work of a cooperative agreement" when "scope" is used for other purposes.
 - (1) In general, changes in location that affect the location and beneficiaries is a change in the scope of work that requires an amendment to conform to documenting the Award for compliance. However, minor changes and adjustments may be a budget revision, depending on how the Award is organized and the location and beneficiaries are defined or addressed in the Award.
 - (2) End date changes may be performed through any of the three methods.
 - (3) When adding a new ALI, the type of post-award change is dependent upon its relationship to existing Scope Codes and the Award's scope of work. These must be an amendment when the change adds a new or independent scope of work or

could be a budget revision if related to an existing Scope Code or the Award's scope of work.

- (4) Award organization and management in TrAMS, including project descriptions and associated funding, may require specific FTA review and consideration to ensure consistency with prior approval, funding, and programmatic requirements.
- (5) FPC transfers of any kind require prior FTA Regional Office notification and concurrence to ensure that FTA's accounting concerns are addressed. When a budget revision does not change the scope of work and includes a transfer of funds between capital, operating, or planning activities, FTA must make the FPC change before the recipients draw funds for this purpose.

3. PRIOR APPROVAL. FTA's prior approval is required when the proposed revision meets any of the following criteria:

- a. The revision results from changes in the scope of work or the objective of the project or program;
- b. Additional Federal funds are needed to complete the project;
- c. For equipment, when the Federal share of the Award exceeds the simplified acquisition threshold (\$250,000, at the time of publication of this circular);
- d. The cumulative amount of change exceeds 20 percent from the latest budget approved by FTA (either in the original application, as modified in an amendment, or as approved by FTA in a budget revision);
- e. Changes to Federal/local match ratios;
- f. The addition of an ALI to an existing scope of work approved for the Award;
- g. Items that are inconsistent with the approved TIP (if applicable) and STIP; and require NEPA review;
- h. A competitive program award;
- i. FPC transfers;
- j. Period of performance changes;
- k. Rolling Stock Changes to ensure consistency with FTA's rolling stock spare ratio requirements; or

Under 2 CFR 200.407, an otherwise reasonable, allocable cost may be unallowable if the recipient fails to receive prior written approval under the circumstances described in the following sections:

-
- (1) 2 CFR § 200.306 Cost sharing;
 - (2) 2 CFR § 200.307 Program income;
 - (3) 2 CFR § 200.308 Revision of budget and program plans;
 - (4) 2 CFR § 200.333 Fixed-amount subawards;
 - (5) 2 CFR § 200.430 Compensation / personal services;
 - (6) 2 CFR § 200.431 Compensation / fringe benefits;
 - (7) 2 CFR § 200.439 Equipment and other capital expenditures;
 - (8) 2 CFR § 200.441 Fines, penalties, damages, and other settlements;
 - (9) 2 CFR § 200.442 Fundraising and investment-management costs;
 - (10) 2 CFR § 200.445 Goods or services for personal use;
 - (11) 2 CFR § 200.447 Insurance and indemnification;
 - (12) 2 CFR § 200.445 Organization costs;
 - (13) 2 CFR § 200.458 Pre-award costs;
 - (14) 2 CFR § 200.462 Rearrangement and reconversion costs; and
 - (15) 2 CFR § 200.475 Travel costs.
4. **BUDGET REVISION.** Budget revisions may be made as long as there is no change in the recipient, purpose, Scope Codes, and Federal funding of the grant, regardless of the fiscal year the funds were appropriated. Budget revisions must be consistent with the activities contained in an approved STIP and satisfy applicable NEPA requirements. Useful life of new equipment must be addressed in the budget revision, as applicable. At times, FTA review of a proposed budget revision meeting the criteria below may result in a recommendation to undertake a grant amendment. The FTA Regional Office will make this determination during its review.
- a. The addition of an activity within an approved scope requires that the recipients affirm in the budget revision request that the new activity is consistent with the approved STIP and, if applicable, has satisfied NEPA requirements, in addition to any applicable award terms, NOFO limitations, and/or program requirements.
 - b. If an ALI to an existing scope is added to move a facility project to the next phase of construction, FTA must confirm eligibility of the project to advance to the next phase of construction.

c. Examples:

- (1) Budget Revisions to Existing ALIs. Award AB-90-234 includes a Scope Code for vehicles (111–00) with the ALI to purchase 40-foot buses (11.12.01) and a Scope Code for stations stops/terminals (113–00) with the ALI for construction of a bus terminal (11.33.01). The construction costs for the station are expected to be higher than originally anticipated, and there is a surplus in the vehicle line item because the vehicle costs were less than anticipated. Following the process described above and after determining if the request meets the threshold for prior FTA approval, a recipient may request a budget revision to move funds from ALI 11.12.01 to 11.33.01 to cover added construction expenses.
 - (2) Budget Revisions that Require an FPC Transfer. Award AB-90-234 has an approved budget for \$250,000 in Federal funds for operating assistance (30.09.01) at a 50 percent Federal / 50 percent local funding ratio, and \$50,000 in Federal funds for the purchase of vans (11.12.15) at an 80 percent Federal / 20 percent local funding ratio. The recipient has \$5,000 in Federal funds remaining under operating assistance and would like to use the remaining operating funds toward the purchase of vans, a capital line item. With prior approval from FTA, this can be accomplished through a budget revision that includes adjustments of local shares because these two Scope Codes have different funding ratios that must be adjusted to ensure the correct funding ratio is maintained for each ALI.
 - (3) Adding an ALI to an Existing Scope Code. Award AB-90-234 includes a Scope Code for stations, stops, and terminals, and funds are allocated to acquire route signing (11.32.09). However, the recipient determines that it prefers to use the funds to construct passenger shelters (11.33.10), which is an activity within the scope 113–00. With prior FTA approval, the recipient may request a budget revision to add the ALI 11.33.10 and shift the funds from 11.32.09. In addition, the recipient must confirm that the approved STIP includes construction of bus shelters and has satisfied applicable NEPA requirements.
5. ADMINISTRATIVE AMENDMENT. An administrative amendment is usually initiated by FTA and may only be used when no change will result in the scope, amount, or purpose of the grant. FTA may use an administrative amendment to change or clarify the terms, conditions, or provisions of the Award, change the fiscal year or type of funds obligated for a grant, change the period of performance, or deobligate Federal funds no longer needed to complete the approved project scope or purpose.
 6. GRANT AMENDMENT. FTA requires a grant amendment when there is either a change in the Award’s scope or an addition of Federal funds to an existing grant. FTA reserves the right to require an amendment when changes are significant or must be used to capture documentation requirements. Grant amendments are subject to the same application requirements as a new grant request, including DOL certification, NEPA requirements and associated NOFO, competition, and program guidance, policies, and requirements.

Recipients do not need to resubmit the portions of the original grant application that the change did not affect but must submit a detailed description of the changes and a revised project budget. For example, in the amendment's executive summary in TrAMS, recipients should include a header (e.g., "Amendment #1") and describe the reason for the amendment and the changes to the grant and budget.

- a. Change of Scope. FTA requires a grant amendment if the request changes the scope of a grant. Examples and an exception to changes in scope that result in a grant amendment include:
 - (1) A change in the quantity of items included for purchase or construction that changes the purpose or intent of the approved grant.
 - (2) The addition of a new project Scope Code or the deletion of a project Scope Code if the deletion affects the intent or objectives of the grant.
 - (3) The addition of a Scope Code or ALI that results from an amendment to the approved TIP/STIP.
 - (4) Budget revisions that result in additions or deletions of scope(s) or ALIs are sent to DOL for information. Grant amendments are sent to DOL for certification.

- b. Change in Federal Funds. FTA requires an amendment if the request changes the total amount of Federal funds in the grant. The one exception is as follows: if the request does not change the scope of a grant and the only action is the deobligation of funds, an administrative amendment is used to process the grant modification.

APPENDIX D:

REAL ESTATE ACQUISITION MANAGEMENT PLAN

A Model for the Development of a RAMP

1. GENERAL. The purpose of a RAMP is to guide the assessment of real estate goals and the methodology for real estate acquisition. RAMPs are the recipient's planning tool. If done correctly, they will identify schedule issues, difficult parcels, the need for expanded advisory assistance, and staff issues. For major capital projects, RAMPs are required as part of the PMP.
2. RAMP CONTENT.
 - a. Introduction.
 - (1) Short history of pertinent elements of project;
 - (2) List control agreements, intergovernmental contracts, pending solicitations, etc.;
 - (3) Outline the legal environment and requirements: The URA, as amended; various State laws; local requirements; etc.;
 - (4) Provide a geographical description of the project;
 - (5) List the physical description of proposed acquisitions, number of parcels, total acquisitions, partial acquisitions, anticipated number of relocations, etc.; and
 - (6) General outline of process and authority to condemn.
 - b. Organizational Structure.
 - (1) Identify real estate acquisition and appraisal staff structure and personnel functions. Clearly state and document project sponsor's prior project experience with relevant federally assisted programs of real property acquisition and the qualifications of all real estate project management staff, appraisal staff and field acquisition and/or relocation agents (both agency and contractor staff);
 - (2) Identify contractual functions;
 - (3) Identify project plan source, the process for plan changes, corrections, or modifications resulting from negotiations, etc.;
 - (4) Identify the party who can establish offer of just compensation; and

(5) Identify the party who can authorize condemnation.

c. Acquisition Schedule.

(1) Set out the time frame and schedule for acquisition and relocation assistance to include the total length of time needed to complete all property acquisition and relocation activities;

(2) Identify the anticipated date for initiation of negotiations for the project;

(3) Identify potential difficulties that could result in potential delays and identify potential mitigation measures;

(4) Identify how progress reporting will be handled and who will receive this information; and

(5) Identify a critical path for right-of-way acquisition.

d. Real Estate Cost Estimate.

(1) Identify the source and background of the real estate acquisition cost estimate, including when it was done and on what basis;

(2) Identify timing and need for cost estimate updates; and

(3) Show how cost estimates will be compared to actual costs as the project progresses.

e. Acquisition Process.

Recipients must have procedures and processes to acquire real estate. This may be demonstrated in the RAMP or through detailed procedures attached to the RAMP. The procedures should detail how the tasks of real estate acquisition and relocation will be accomplished and should be appropriate for the complexity and size of the project.

Table D-1: Acquisition Process Procedures

| Acquisition Process Procedure | Considerations Examples |
|--------------------------------------|---|
| Plans | Who prepares? Who can modify? What is process for considering a property owner’s request to modify? |
| Ownership and Title Information | How is this gathered? What are the contractual requirements? Are those contracts in place? |

| Acquisition Process Procedure | Considerations Examples |
|---|---|
| | What is the process to update and correct errors and omissions? |
| Appraisal | <p>Who will do appraisals?</p> <p>What are the contracting requirements, if necessary?</p> <p>What is the estimated duration of this task?</p> <p>How many copies of appraisals will be obtained?</p> <p>Will appraisals be shared with property owners? Etc.</p> |
| Appraisal Review Process | <p>Who will do this task?</p> <p>What is the scope of the task in general?</p> <p>What is the turnaround time for this work?</p> <p>Will the reviewer handle updates of appraisals?</p> <p>Will the reviewer handle modification of appraisals based on owner claims?</p> <p>Will the reviewer be used to support administrative settlements?</p> |
| Establishment of Offer of Just Compensation | <p>Who specifically does this?</p> <p>What is the basis of the offer?</p> |
| Negotiations | <p>Who will negotiate and what is their authority?</p> <p>Who must approve administrative settlements and other concessions to property owners?</p> <p>What is the required documentation for the negotiations process?</p> <p>Who signs offer letters?</p> <p>Will the negotiator also handle relocation payments?</p> <p>How is the interface between negotiations and condemnation handled?</p> <p>What documents will the negotiator be expected to provide to legal for settlement and condemnation?</p> <p>Will the negotiator be present at closing?</p> |
| Closing/Escrows | <p>Who will provide this service and how will it function?</p> <p>What is the estimated length of time to deposit funds to escrow for closing?</p> <p>What documents will be necessary?</p> <p>How will closings be conducted?</p> <p>What form of deeds will be used?</p> <p>How will property taxes be paid and exempted?</p> |

| Acquisition Process Procedure | Considerations Examples |
|-------------------------------|--|
| Condemnation | Who will authorize suits and who will file? What is relationship between award recipient and its legal personnel? What authority does the attorney have for settlement? What are progress reporting requirements? |

f. Relocation Process.

A recipient must plan for relocation activities per regulatory requirements. However, the extent of the planning should be commensurate with the number, complexity, and type of displacements. A recipient must be able to demonstrate available comparable replacement housing for every residential displacement.

Table D-2: Relocation Process Procedures

| Relocation Process Procedure | Considerations Examples |
|------------------------------|--|
| Planning | Who is responsible for the development of the relocation plan? What is the plan to minimize the potential negative impacts of displacement? What potential barriers exist to obtaining replacement housing and/or nonresidential replacement sites? |
| Staffing and Administration | How will the relocation function be staffed? Who is authorized to compute payments? Who will approve payments? What is the relocation process to be utilized on the project? What level of advisory services will be needed? Who will provide advisory services? What is the claims payment process? What is the time to pay a relocation claim? What authority and controls will be needed for advanced payments and claims? What documentation will be retained in the files? What forms will be used? |

| Relocation Process Procedure | Considerations Examples |
|------------------------------|---|
| Appeals | What are the legal requirements for administrative appeals? How will the agency establish and staff an appeal function? Who is the recipient of the appeal requests? What is the appeal process? |

g. Document Control.

Table D-3: Document Control Procedures

| Document Control Procedure | Considerations Examples |
|--|--|
| Records Management | How are documents filed and for what length of time will original paper documents be maintained? What is the organization of parcel files, condemnation files, etc.? What are the contents of a typical parcel file? |
| Property Management | Who will perform property management and what is included in the scope of work for property management? Who contracts for demolition? What are the contracting requirements? What are the reporting requirements? What is the policy regarding rental property for extended possession by displaced tenants and/or owners? |
| Excess Property Inventory and Utilization Plan | Who will prepare and track excess parcels? What is the process to evaluate these tracts? Who will determine when to sell excess? What is the disposition of proceeds? What are the agency, State, or local restrictions on the sale of public property? |

APPENDIX E:

GUIDE FOR PREPARING A REAL ESTATE APPRAISAL SCOPE OF WORK

1. **GENERAL**. The scope of work is a written set of expectations that form an agreement or understanding between the appraiser and the recipient as to the specific requirements of the appraisal, resulting in a report to be delivered to the recipient by the appraiser. It includes identification of the intended use and intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. This agreement should specify the performance requirements, or it should reference them from another source, such as the recipient's approved right-of-way or appraisal manual. The scope of work must address the unique, unusual, and variable appraisal performance requirements of the appraisal. Either the appraiser or the recipient may recommend modifications to the initial scope of work, but both parties must approve changes.
2. **EXAMPLE**. The example below is intended to be a guide for recipients preparing a scope of work for real estate appraisals.
 - a. **Scope of Work**: The appraiser must, at a minimum:
 - (1) Provide an appraisal meeting the recipient's definition of an appraisal, or, at a minimum, the definition of an appraisal must be compatible with the definition found at 49 CFR 24.2(a)(3);
 - (2) Afford the property owner or the owner's designated representative the opportunity to accompany the appraiser on the inspection of the property;
 - (3) Perform an inspection of the subject property - the inspection should be appropriate for the appraisal problem, and the scope of work should address:
 - (a) The extent of the inspection and description of the neighborhood and proposed project area;
 - (b) The extent of the subject property inspection, including interior and exterior areas; and
 - (c) The level of detail of the description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, the remaining property).
 - (4) In the appraisal report, include a sketch of the property and provide the location and dimensions of any improvements (Also, the report should include adequate photographs of the subject property and comparable sales, and provide location maps of the property and comparable sales);

-
- (5) In the appraisal report, include items required by the acquiring recipient, usually consisting of the following:
 - (a) The property right(s) to be acquired, e.g., fee simple, easement, etc.;
 - (b) The value being appraised (usually fair market value), and its definition;
 - (c) The appraisal of contaminated property that would get at the difference in value, were the property clean;
 - (d) The date of the appraisal report and the date of valuation;
 - (e) The realty/personalty report required at 49 CFR 24.103(a)(3)(i)–(v);
 - (f) The known and observed encumbrances, if any;
 - (g) The title information;
 - (h) The location;
 - (i) The zoning requirements and restrictions;
 - (j) The property’s present use; and
 - (k) At least a five-year sales history of the property.
 - (6) In the appraisal report, identify the HBU (If the HBU is in question or different from the existing use, provide an appropriate analysis identifying the market-based HBU);
 - (7) Present and analyze relevant market information (Specific requirements should include research, analysis, and verification of comparable sales. Inspection of the comparable sales should also be specified);
 - (8) In developing and reporting the appraisal, disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired or by the likelihood that the property would be acquired for the project (If necessary, the appraiser may cite the Jurisdictional Exception or Supplemental Standards Rules under USPAP to ensure compliance with USPAP while following this Uniform Act requirement);
 - (9) The appraiser’s analysis, opinions, and conclusions must be included in the appraisal report.

b. Additional Requirements for a Scope of Work:

- (1) Intended Use: This appraisal is to estimate the fair market value of the property, as of the specified date of valuation, for the proposed acquisition of the property rights specified (i.e., fee simple, etc.) for a federally assisted project.
- (2) Intended User: The intended user of this appraisal report is primarily the acquiring agency (ultimately the recipient), but its funding partners may review the appraisal as part of their program oversight activities.
- (3) Definition of Market Value: This is determined by State law, but includes the following:
 - (a) The buyer and seller are typically motivated;
 - (b) Both parties are well informed or well advised, each acting in what they consider their own best interest;
 - (c) A reasonable time is allowed for exposure in the open market;
 - (d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - (e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- (4) Certification: The required certification should be in the State's approved Appraisal Procedures or part of State law.
- (5) Assumptions and Limiting Conditions: The appraiser shall state all relevant assumptions and limiting conditions. In addition, the acquiring agency may provide other assumptions and conditions that may be required for the particular appraisal assignment, such as:
 - (a) The data search requirements and parameters that may be required for the project;
 - (b) Identification of the technology requirements, including approaches to value, to be used to analyze the data;
 - (c) Need for machinery and equipment appraisals, soil studies, potential zoning changes, etc.;
 - (d) Instructions to the appraiser to appraise the property "As Is" or subject to repairs or corrective action; and

- (e) As applicable, include any information on property contamination to be provided and considered by the appraiser in making the appraisal.
3. ENVIRONMENTAL CONDITIONS. One of the persistently difficult issues is the valuation of property with potential and/or known hazardous materials or contamination. Therefore, it is important that the environmental conditions of all parcels considered for acquisition be assessed according to ASTM (American Society for Testing and Materials) international standards. The following guidance will assist recipients in developing a scope of work for assessing the environmental conditions of parcels and for appraising those that are found to be contaminated or have hazardous materials present.

Recipients must investigate the environmental conditions of all parcels proposed for purchase in order to identify potential contamination on the property. This site investigation work includes conducting a Phase I ESA (in accordance with ASTM standards) for all parcels. If the Phase I ESA identifies potential contamination or recognized environmental concerns, a Phase II ESA should be conducted to confirm the presence and extent of any contamination. The ESAs should have been completed as a part of the overall environmental review process undertaken during an early phase of the project. If not, the recipient should conduct ESAs for all parcels prior to the appraisal.

The presence of contamination is regarded as a detriment to the property and should be handled like other negative characteristics or limitations of a property relative to the determination of its HBU or greatest market value. From an appraisal perspective, dealing with contamination is much like addressing other conditions affecting the use and value of the property. It is FTA policy that the effect of contamination on the value of a property should be considered in the appraisal to the extent feasible. If the contaminant is a detriment for the property, the reduction in value of the property attributable to that detriment should be considered by the real estate appraiser.

Appraisers are not expected to be experts in the field of property contamination. Therefore, the results of the previously mentioned ESAs must be provided to the appraiser before the appraisal work is initiated, whenever feasible. The recipient or its environmental consultant should be available to answer any questions that an appraiser may have regarding the environmental testing report(s) that pertains to the HBU and the value of the property. The appraiser is expected to be competent in the analysis of the impact of contamination on the value of the parcel being appraised.

The environmental reports, estimated remediation costs, and specifications for the required remediation, along with any specific direction from the recipient regarding the applicability of State law or agency procedures related to the valuation of contaminated property, must be provided to the appraiser. The existence of detrimental contamination must also be defined by the recipient in analyzing the approach to the appraisal problem. The approach will necessarily involve an understanding of the purpose and use of the property within the context of the construction design plans of the project, specifically in terms of excavation that may be required for the intended use or use only as surface parking, as examples. These

issues as they pertain to the subject site should be included as an element of the appraisal scope of work that is mutually agreed to by the recipient and the appraiser. Recipients must not offer a conclusion of the impact of the contamination but should insist that the appraiser evaluate the value impact of its presence using the expert site reports and project construction plans.

The following guidance is offered to assist a recipient valuing a contaminated site. It is general and broad. FTA should be contacted for further specific direction.

a. For commercial/industrial properties:

- (1) **Situation:** The property contains contaminants or hazardous materials that must be mitigated before any use of the property is practical.

Approach: In cases such as this, generally, the cost to mitigate the contaminated materials to permit the HBU should be deducted from the potential estimated value to achieve that HBU.

- (2) **Situation:** The property is contaminated but can be used at its HBU without remediation.

Approach: In this situation, the appraiser would value the property at its HBU and only make an adjustment if the market indicates such an adjustment is necessary. Other similarly contaminated property would be a good indication of value and any further adjustment may not be required.

- (3) **Situation:** An improved property has building components that contain hazardous materials (asbestos, lead paint, etc.) and the market considers these items to be a detriment to value.

Approach: In this situation, the appraiser should consider the appropriate cost to cure such deficiencies, based on market dynamics.

- (4) **Situation:** The property formerly was contaminated but is now remediated.

Approach: In this situation, the appraiser should consider any residual “stigma” that might be caused by possible future requirements or the market resistance to such remediated properties when similar clean substitute properties are available. Comparable sales of similarly remediated property would be the best indication of value.

b. For residential properties:

- (1) **Situation:** The building contains hazardous materials, but the market apparently does not adjust for such items (e.g., asbestos shingles, asbestos floor tile).

Approach: In this situation, the appraiser should note the items and note that the market does not make an adjustment for them. Valuation would be unaffected by the presence of the contaminant in such a case. If remediation is only necessary because of the development of the transit project, that remediation would be an eligible expense under the Award, given that the expense cannot be recouped from the seller and would be needed for the project.

- (2) **Situation:** The building contains hazardous materials, and the market typically requires remediation or adjustment (e.g., friable exposed asbestos, chipping lead paint).

Approach: In this situation, the estimated cost to cure the detriment to value should be considered and deducted from the value as clean, unless the cost to cure is greater than the present value of the structure.

Regardless of the type of property, it is important that the effect on value of the contamination or hazardous material be measured by the impact on the value of the property assuming a typical market transaction based on HBU analysis and the degree of non-contamination dictated by the project construction specifications regarding construction activity on that parcel property.

APPENDIX F:

ROLLING STOCK STATUS REPORT

1. **GENERAL.** When an agency is disposing of vehicles that have met their minimum useful life with a fair market value greater than \$10,000, or is disposing of vehicles before they reach their minimum useful life, or is requesting a revision to the Award affecting those vehicles, the Rolling Stock Status Report (see example on next page) should include the following information:
 - a. Vehicle number;
 - b. Year;
 - c. Make/model;
 - d. VIN;
 - e. Date placed in revenue service;
 - f. Date removed from revenue service;
 - g. Minimum useful life (years and miles);
 - h. Mileage (at the time removed from revenue service);
 - i. Total number of vehicles;
 - j. Total number of peak vehicle requirements;
 - k. Total number of spare vehicles.
2. **REPLACEMENTS AT THE END OF THE MINIMUM USEFUL LIFE.** Rolling Stock Status Reports must accompany a request for a replacement vehicle that has met its minimum useful life. The report will be used to verify that a vehicle has met the minimum useful life. Note: FTA retains a Federal interest regardless of useful life. FTA also retains a financial interest in rolling stock and equipment with a unit value exceeding \$10,000, even if useful life has been met, and unused supplies with an aggregate value exceeding \$10,000. See 49 U.S.C. 5334(h) and Chapter IV Section 3.q, "Disposition of Equipment and Supplies," for more information about project property valued over \$10,000.
3. **EARLY DISPOSITION.** Rolling Stock Status Reports must accompany a request for early disposition of vehicles. The report will be used to verify the remaining Federal interest in the vehicles.

4. EXAMPLE. An example of a Rolling Stock Status Report for vehicles pending disposal with and without remaining Federal interest or budget revision affecting vehicles is shown on the following pages.

TABLE F-1: Rolling Stock Status Report

| TransAmerica Buses | | | | | | | | | | | | | | |
|--------------------|--------------|-----------------------------------|-----------------|----------------|-----------------------|----------------------|----------------|---------------------------|----------------|-----------------------------|----------------------------|---------------------|-----------------------------------|------------------------------------|
| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O |
| Veh. # | Vehicle Year | Make/Model or Vehicle Description | Date in Service | Out of Service | Fed Useful Life (yr.) | Actual Service (yr.) | Remaining yrs. | Remaining % based on yrs. | Actual Mileage | Minimum Useful Life Mileage | Remaining % based on miles | Total Federal Share | Remaining Fed Share based on yrs. | Remaining Fed Share based on miles |
| 151 | 2000 | 30' New Flyers | 9/1/00 | 9/1/07 | 7 | 7 | 0 | -0.04% | 200,000 | 200,000 | 0.00% | \$120,000 | - | - |
| 152 | 2000 | 30' New Flyers | 9/1/00 | 9/3/07 | 7 | 7 | -0.01 | -0.12% | 200,000 | 200,000 | 0.00% | \$120,000 | - | - |
| 154 | 2000 | 30' New Flyers | 9/1/00 | 9/2/07 | 7 | 7 | -0.01 | -0.08% | 210,000 | 200,000 | -5.00% | \$120,000 | - | - |
| 155 | 2000 | 30' New Flyers | 9/1/00 | 9/2/07 | 7 | 7 | -0.01 | -0.08% | 205,000 | 200,000 | -2.50% | \$120,000 | - | - |
| 156 | 2000 | 30' New Flyers | 3/1/01 | 3/1/06 | 7 | 5 | 2 | 28.53% | 140,851 | 200,000 | 29.57% | \$120,000 | \$34,239 | \$35,489 |
| 157 | 2000 | 30' New Flyers | 3/1/01 | 3/1/06 | 7 | 5 | 2 | 28.53% | 154,649 | 200,000 | 22.68% | \$120,000 | \$34,239 | \$27,211 |
| 158 | 2000 | 35' Flexible | 3/1/01 | 6/3/06 | 10 | 5.3 | 4.74 | 47.40% | 200,000 | 350,000 | 42.86% | \$120,000 | \$56,877 | \$51,429 |
| 159 | 2001 | 35' Flexible | 3/1/01 | 6/3/06 | 10 | 5.3 | 4.74 | 47.40% | 300,000 | 350,000 | 14.29% | \$195,000 | \$92,425 | \$27,857 |
| 160 | 2001 | 35' Flexible | 3/1/01 | 11/2/07 | 10 | 6.7 | 3.32 | 33.23% | 300,000 | 350,000 | 14.29% | \$195,000 | \$64,804 | \$27,857 |
| 161 | 2001 | 35' Flexible | 3/1/01 | 7/2/07 | 10 | 6.3 | 3.66 | 36.60% | 325,000 | 350,000 | 7.14% | \$195,000 | \$71,375 | \$13,929 |
| 163 | 2001 | 35' Flexible | 3/1/01 | 11/2/07 | 10 | 6.7 | 3.32 | 33.23% | 325,000 | 350,000 | 7.14% | \$195,000 | \$64,804 | \$13,929 |
| 164 | 1996 | 40' Buses | 3/21/96 | 4/3/06 | 12 | 10 | 1.96 | 16.32% | 425,000 | 500,000 | 15.00% | \$295,000 | \$48,156 | \$44,250 |
| 165 | 1996 | 40' Buses | 6/19/96 | 4/3/07 | 12 | 10.8 | 1.21 | 10.05% | 435,000 | 500,000 | 13.00% | \$295,000 | \$29,635 | \$38,350 |

| TransAmerica Buses | | | | | | | | | | | | | | |
|--------------------|------|-----------|---------|--------|----|------|------|--------|---------|---------|--------|-----------|----------|----------|
| 166 | 1996 | 40' Buses | 6/19/96 | 4/3/07 | 12 | 10.8 | 1.21 | 10.05% | 450,000 | 500,000 | 10.00% | \$295,000 | \$29,635 | \$29,500 |
| 167 | 1996 | 40' Buses | 6/20/96 | 6/2/07 | 12 | 11 | 1.04 | 8.70% | 450,000 | 500,000 | 10.00% | \$295,000 | \$25,661 | \$29,500 |
| 168 | 1996 | 40' Buses | 6/23/96 | 6/2/07 | 12 | 10.9 | 1.05 | 8.77% | 450,000 | 500,000 | 10.00% | \$295,000 | \$25,863 | \$29,500 |

APPENDIX G:

EQUIPMENT DISPOSITION SCENARIOS

1. GENERAL. There are times where the disposition of property acquired with Federal funds necessitates calculation of Federal and local shares, as well as the adjustment of funds to current or future awards. This appendix is a follow up to the examples cited in Chapter IV of this circular.

2. APPLICATION OF INSURANCE PROCEEDS WHEN THE INSURANCE PROCEEDS ARE GREATER THAN THE REMAINING FEDERAL INTEREST IN THE DAMAGED OR DESTROYED PROPERTY BEFORE THE END OF THE ASSET’S USEFUL LIFE. A piece of equipment is destroyed that was acquired through an FTA award with an 80/20 Federal to local match ratio. The cost to replace the item is \$6,000. The remaining Federal interest in the damaged or destroyed property is \$1,800. The recipient receives insurance proceeds in the amount of \$2,500, which is in excess of the Federal share. The recipient is required to apply \$1,800 of the \$2,500 insurance proceeds toward the Federal share of replacing the destroyed property.

| Description | Amount | Notes |
|---|---------|---|
| Remaining Federal Interest | \$1,800 | The remaining Federal interest is based on the depreciated value. |
| Amount of Insurance Proceeds | \$2,500 | This is the full amount of the proceeds. |
| Federal Share of Insurance Proceeds That Must Be Applied | \$1,800 | This is the Federal share of the proceeds that must be applied to the replacement |
| Remainder of Insurance Proceeds | \$700 | The recipient is not required to apply these to the replacement cost. |

The recipient must first apply the insurance proceeds of \$1,800 to cover the remaining Federal interest in the destroyed property's replacement.

If FTA decides that additional financial assistance may be used to replace the item, the following requirements apply.

| Description | Amount | Notes |
|--|---------|--|
| Cost of Replacement (80/20 share) | \$6,000 | This can also be the total project cost of replacing the property. |

| Description | Amount | Notes |
|--|---------|---|
| Federal Share of Replacement | \$4,800 | This amount is determined by the statutory matching ratios. |
| Local Share of Replacement | \$1,200 | The recipient must provide \$1,200 in non-Federal share to replace the property, which may include the remaining \$700 of insurance proceeds. |
| Calculating Federal Interest in Replacement Award | | |
| Federal Share of Insurance Proceeds that Must Be Applied | \$1,800 | As determined above, based on the remaining Federal interest |
| Additional/New Funds | \$3,000 | Difference between Federal share of replacement and insurance proceeds that must be applied |

3. APPLICATION OF INSURANCE PROCEEDS WHEN THE INSURANCE PROCEEDS ARE LESS THAN THE REMAINING FEDERAL INTEREST IN THE DAMAGED OR DESTROYED PROPERTY BEFORE THE END OF THE ASSET'S USEFUL LIFE. A piece of equipment is destroyed that was acquired through an FTA award with an 80/20 Federal to local match ratio. The cost to replace the item is \$6,000. The remaining Federal interest in the damaged or destroyed property is \$1,800. The recipient receives insurance proceeds in the amount of \$500, which is less than the Federal share. The recipient is required to apply the \$500 in insurance proceeds toward the Federal share of replacing the destroyed property.

| Description | Amount | Notes |
|--|---------|---|
| Remaining Federal Interest | \$1,800 | The remaining Federal interest is based on the depreciated value. |
| Amount of Insurance Proceeds | \$500 | This is the full amount of the proceeds that must be applied to the replacement. |
| Non-Federal Funds to Cover the Remaining Federal Interest | \$1,300 | The recipient must provide these funds to address the remaining Federal interest in the destroyed property. |

The recipient must apply all the insurance proceeds of \$500 and an additional amount of \$1,300 to cover the remaining Federal interest of \$1,800 in the destroyed property's replacement.

If FTA decides that additional financial assistance may be used to replace the item, the following requirements apply.

| Description | Amount | Notes |
|--|---------|---|
| Cost of Replacement (80/20 share) | \$6,000 | This can also be the total project cost of replacing the property. |
| Federal Share of Replacement | \$4,800 | This amount is determined by the statutory matching ratios. |
| Local Share of Replacement | \$1,200 | |
| Calculating Amount of Local Interest in Replacement Award | | |
| Federal Share of Insurance Proceeds that Must Be Applied | \$500 | As determined above, based on the remaining Federal interest. |
| Local Funds to Cover the Federal Share of Replacement | \$1,300 | |
| Local Share of Replacement | \$1,200 | |
| Total Local Share | \$3,000 | |
| Additional/New Funds | \$3,000 | Difference between total replacement cost of \$6,000 and the required local share of \$3,000. |

4. LIKE-KIND EXCHANGE (BEFORE THE END OF THE ASSET'S USEFUL LIFE) WITH PROCEEDS LESS THAN THE FEDERAL INTEREST. A recipient purchased a new bus in 2009 for \$220,000 with an 80/20 percent cost share ratio. Instead of keeping the bus in service for 12 years, FTA's expected useful life of a new bus, the recipient chose to sell the bus after six years and replace it with a new vehicle. The minimum useful life of the bus is 12 years. The bus sold for \$80,000, which is less than the remaining Federal interest.

| Description | Amount | Notes |
|---|-----------|---|
| Gross Cost of New Bus | \$240,000 | The full cost of the replacement bus. |
| Replacement Bus Straight-Line Depreciation | \$110,000 | Straight-line depreciation of 6/12 of original \$220,000 price. |

| Description | Amount | Notes |
|---|------------------|--|
| Depreciated Federal Share | \$88,000 | Based on cost share requirements, 80% of \$110,000. |
| Depreciated Local Share | \$22,000 | Based on cost share requirements, 20% of \$110,000. |
| Sale Price of Bus | \$80,000 | This is greater than the Federal share of depreciation. |
| Net Cost of New Bus | \$130,000 | Difference between the Gross Cost and the Depreciated Value. |
| Calculating Revised Federal Interest in New Bus | | |
| Transferred from the Old Vehicle | \$88,000 | As determined above, based on the remaining Federal interest. |
| Federal Share of New Award | \$104,000 | Based on cost share, 80% of \$130,000. |
| Total Federal Share | \$192,000 | |
| Calculating Amount of Local Funds Required for Replacement Award | | |
| Local share of Net Project Costs | \$26,000 | Based on cost share, 20% of \$130,000. |
| Difference between depreciated value and sale price | \$30,000 | Because the sale proceeds of \$80,000 are less than the straight-line depreciated value of \$110,000, the recipient must provide an additional \$30,000 to cover the difference. |
| Total Local Funds Required for New Vehicle | \$56,000 | Note the total local funds required to procure the vehicle—\$56,000—exceeds the value of the total local share of the new vehicle—\$48,000. |

5. LIKE-KIND EXCHANGE (BEFORE THE END OF THE ASSET'S USEFUL LIFE) WITH PROCEEDS GREATER THAN THE FEDERAL INTEREST. A recipient purchased a new bus in 2009 for \$220,000 with an 80/20 Federal to local match ratio. Instead of keeping the bus in service for 12 years, the FTA's expected useful life of a new bus, the recipient chose to sell the bus after six years and replace it with a new vehicle. The minimum useful life of the

bus is 12 years. The bus sold for \$140,000, which is greater than the remaining Federal interest.

| Description | Amount | Notes |
|---|------------------|--|
| Gross Cost of New Bus | \$240,000 | The full cost of the replacement bus. |
| Replacement Bus Straight-Line Depreciation | \$110,000 | Straight line depreciation of 6/12 of original \$220,000 price. |
| Sale Price | \$140,000 | |
| Federal Share of the Replaced Vehicle | \$112,000 | Based on cost share requirements, 80% of \$140,000. |
| Local Share of the Replaced Vehicle | \$28,000 | Based on cost share requirements, 20% of \$140,000. |
| Net Cost of New Bus | \$100,000 | Because the sales proceeds are greater than the amount of the Federal interest, all the proceeds are applied, and the gross project cost is reduced. |
| Calculating Revised Federal Interest in New Bus | | |
| Transferred from the Old Vehicle | \$112,000 | As determined above, based on the sale price. |
| Federal Share of New Award | \$80,000 | Based on cost share, 80% of \$100,000. |
| Total Federal Share | \$192,000 | |
| Calculating Amount of Local Funds Required for Replacement Award | | |
| Local share of Net Project Costs | \$20,000 | Based on cost share, 20% of \$100,000. |
| Total Local Funds Required for New Vehicle | \$20,000 | Note the total local funds required to procure the vehicle—\$20,000 plus the local share of the old vehicle of \$28,000 results in total local share in new vehicle of \$48,000. |

APPENDIX H:

COST ALLOCATION PLANS

1. GENERAL. Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefitted cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

Indirect costs include:

- a. The indirect costs originating in each department or agency of the governmental unit carrying out Federal awards; and
- b. The costs of central governmental services distributed through the central service CAP, as described in Appendix V to 2 CFR Part 200, and not otherwise treated as direct costs.

As outlined under 2 CFR 200.1, FTA uses the term “cost allocation plan” (CAP) to mean central service cost allocation plan. A central service CAP is the documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a State or local government, or Indian tribe, on a centralized basis to its departments and agencies, per 2 CFR 200.1. Most State and local governments, and Indian tribes provide certain services, such as motor pools, computer centers, purchasing, accounting, etc. on a centralized basis. This requirement for governmental organizations requires the development of both a CAP and, when needed, an ICRP for some activities or departments. While centralized services CAPs are not required for institutions of higher education (IHE) or nonprofit entities, 2 CFR Part 200, Appendices III and IV, respectively, do require IHEs and nonprofit entities to allocate costs. A central service CAP provides the process by which these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. All costs and other data used to distribute the costs included in the plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to a Federal financial assistance award.

Appendix H provides information on CAPs based on 2 CFR Part 200 requirements and FTA policies. If there are multiple departments within an organization that will develop an ICRP, refer to Appendix I for requirements. If FTA is both the cognizant agency for the governmental agency and for a department within this agency, the recipient should consult the guidance within both Appendices H and I for more information on the preparation of the requisite documents.

Based on requirements in Appendices V and VII to 2 CFR Part 200, when FTA is the cognizant agency for a local government organization that has a CAP with individual departments requesting indirect cost rates, FTA determines cognizance for the individual ICRPs at the level of the local government's operating departments. For example, FTA would serve as the cognizant agency for the city-wide central service CAP if the "City of X" receives the most direct Federal funding from FTA. In addition, the City of X's transit department and housing department each require an individual ICRP. The transit department receives the most direct Federal funding from FTA, and the housing department receives the majority of direct Federal funding from HUD. In this case, FTA would be the cognizant agency for indirect costs for the City of X transit department and review the ICRP. However, because HUD would be the cognizant agency for indirect costs for the City of X's housing department, FTA could not establish a rate and would not review the ICRP.

2. GENERAL CAP REQUIREMENTS. The central service CAP includes all central service costs that will be claimed (either as a billed or an allocated cost) under Federal financial assistance awards and will be documented as described in 2 CFR Part 200, Appendix V, Section E, "Documentation Requirements for Submitted Plans." Costs of central services omitted from the plan will not be reimbursed. Following are the general requirements for CAPs:
 - a. CAPs must be updated annually and made available for review at the State or local government's Single Audit.
 - b. CAPs must be approved in accordance with the requirements of the Federal cognizant agency for indirect costs.
 - c. In addition, all costs in the plan must be supported by formal accounting records to substantiate the propriety of eventual charges. Central service costs that are not included in the plan should not be reimbursed by Federal awards. To the extent feasible, CAPs should be presented in a single document.
 - d. If there is an allocated central service, the plan must also include the following:
 - (1) A brief description of the service, an identification of the unit rendering the service, and the operating agencies receiving the service;
 - (2) The items of expense included in the cost of the service;
 - (3) The method used to distribute the cost of the service to benefitted agencies; and
 - (4) A summary schedule showing the allocation of each service to the specific benefitted agencies.

-
3. DOCUMENTATION REQUIREMENTS. When requesting FTA approval of a CAP, all proposed central service allocation plans must be accompanied by the following:
- a. An organization chart sufficiently detailed to show operations, including the central service activities of the State, local government, or Indian tribe, whether or not they are shown as benefitting from central service functions;
 - b. A copy of the Annual Comprehensive Financial Report (or a copy of the Executive Budget if budgeted costs are being proposed) to support the allowable costs of each central service activity included in the plan;
 - c. A certification of conformance in the form required by 2 CFR Part 200, Appendix V, Section E.4. The certification outlines that:
 - (1) The date of the proposal and the covered period are aligned;
 - (2) All costs included in the plan are allowable, and unallowable costs have been adjusted as indicated in the CAP;
 - (3) Included costs are allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the Federal awards to which they are allocated in accordance with applicable requirements; and
 - (4) The same costs that have been treated as indirect costs have not been claimed as direct costs.
 - d. A proposal to establish a CAP will be unacceptable if the CAP Certificate is omitted. The certificate must be signed on behalf of the governmental unit by an individual at a level no lower than the chief financial officer of the governmental unit that submits the plan. For details related to documentation requirements for allocated and billed central service costs, refer to 2 CFR Part 200, Appendix V, Section E, "Documentation Requirements for Submitted Plans," numbers 2, 3, and 4, respectively.
4. SUBMISSION REQUIREMENTS. Per Appendix V to 2 CFR Part 200, all central service CAPs will be prepared and, when required, submitted within six months prior to the beginning of each of the governmental unit's fiscal years in which it proposes to claim central service costs. Extensions may be granted by the cognizant agency for indirect costs on a case-by-case basis. All CAPs must be retained for audit. The CAP must be submitted to the recipient's Federal cognizant agency for indirect costs for approval based on the following:
- a. Each State will submit its CAP to the Department of Health and Human Services (DHHS) for each year in which it claims central service costs under Federal awards. The plan should include:

-
- (1) A projection of the next year's allocated central service cost (based either on actual costs for the most recently completed year or the budget projection for the coming year); and
 - (2) A reconciliation of actual allocated central service costs to the estimated costs used for either the most recently completed year or the year immediately preceding the most recently completed year.
- b. Each major local government (one which receives more than \$100 million in direct Federal awards) is required to submit the CAP to its cognizant Federal agency for indirect costs annually.
 - c. All other local governments must prepare and retain CAPs for the Single Audit and submit CAPs only when required by the cognizant agency. However, if individual government departments have their own indirect cost rate and proposal, these need to follow the requirements of the cognizant agency and approval agreement.
 - d. When a local government only receives funds as a subrecipient, the pass-through entity is responsible for approving and monitoring the subrecipient's plan.
5. FTA-SPECIFIC SUBMISSION REQUIREMENT. When FTA is the cognizant agency for indirect costs, recipients must submit a CAP under the following circumstances:
- a. For an initial plan;
 - b. Annually for major local governments;
 - c. For a change in organizational structure and accounting system that may significantly impact the CAP, including adding new central service activities;
 - d. For a change in CAP methodology; and/or
 - e. Upon request for all other entities.
6. CAP REVIEW AND APPROVAL. Whenever the cognizant agency gives approval to a government-wide CAP, such approval should be formalized, in a written agreement between the cognizant agency for indirect costs and the State, local government, or Indian tribe, and distributed to all interested Federal agencies, and applicable to all Federal awards in accordance with 2 CFR Part 200, Appendix V.
- a. CAPs submitted to FTA for approval are subject to review. The purpose of a CAP proposal review is to ensure that the methodology and the rates proposed by the recipient meet the criteria contained in 2 CFR Part 200 and FTA policies as a condition for reimbursement. Based on the submission requirements and upon request, as the cognizant agency for indirect costs, FTA reviews the submitted documentation and prepares an indirect cost agreement. As part of this process, FTA may elect to conduct a

detailed review of a CAP, utilizing an FMO review contractor. Recipients must submit their CAP packages in a timely manner to provide sufficient time for a complete review prior to the beginning of the requested fiscal year.

- b. Allocated central service costs are usually negotiated and approved for a future fiscal year on a “fixed with carry-forward” basis. If FTA approves a CAP with this provision, the fixed amounts for the future year covered by the agreement are not subject to adjustment for that year. However, when the actual costs of the year involved become known, the differences between the fixed amounts previously approved and the actual costs will be carried forward and used as an adjustment to the fixed amounts established for a later year. This “carry-forward” procedure applies to all central services whose costs were fixed in the approved plan. A carry-forward adjustment is not permitted for a central service activity that was not included in the approved plan or for unallowable costs that must be reimbursed immediately.
7. FTA REPORTING REQUIREMENTS. Generally central service costs are included in the indirect cost pool(s) of the operating governmental departments or agencies. Therefore, central service costs are generally included in the overall indirect cost information that is required in the FFR.
 8. REFERENCES. The detailed requirements for development and submission of central service CAPs are contained in:
 - a. 2 CFR Part 200, Appendix V;
 - b. Guidelines and illustrations of central service CAPs are provided in a brochure published by the Department of Health and Human Services entitled, “A Guide for State, Local and Indian Tribal Governments: Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government” (ASMB C-10); and
 - c. All official Frequently Asked Questions and updates to 2 CFR Part 200.

APPENDIX I:

INDIRECT COST RATE PROPOSALS

1. GENERAL. Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefitted cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

Indirect costs include:

- The indirect costs originating in each department or agency of the governmental unit carrying out Federal awards.
- The costs of central governmental services distributed through the central service CAP (as described in Appendix V of 2 CFR Part 200) and not otherwise treated as direct costs.

This appendix, Appendix I, provides information on the development of ICRPs based on 2 CFR Part 200 requirements and FTA policies. Because ICRPs include a central service CAP for State, local, and tribal governments, Appendix I contains submission requirements, which may be required for ICRP approval. In addition, as there are various appendices to 2 CFR Part 200 regarding indirect costs, transit districts and nonprofit organizations should use this appendix for establishing rates.

ICRP means the documentation prepared by a recipient or subrecipient to substantiate its request for the establishment of an indirect cost rate. Individual operating agencies (governmental department or agency) and nonprofit recipients normally charge Federal awards for indirect costs through an indirect cost rate. A separate indirect cost rate(s) proposal for each operating agency is usually necessary to claim indirect costs under Federal awards.

Recipients that intend to seek FTA reimbursement for indirect cost rates must prepare an ICRP unless the recipient chooses to elect the de minimis rate of up to 15 percent of the MTDC. Also, recipients that already have an established indirect cost rate may apply for a four-year extension of their current negotiated indirect cost rate for a maximum period of up to five years. Note that only final or predetermined rates may be extended. Any recipient that receives more than \$35 million in direct Federal funding must submit its ICRP to its cognizant agency for indirect costs.

For those recipients that do not choose to use the de minimis rate or receive approval of an extension of their current negotiated indirect cost rate, the following are basic requirements for an ICRP:

- ICRPs must be updated annually.
- The updated ICRP must be retained and made available for review at the recipient's annual Single Audit.
- The initial ICRP must be approved by FTA or another cognizant Federal agency. The cognizant agency is the agency responsible for reviewing and approving the recipient's ICRP. For subsequent approvals, please refer to Section 3 of this appendix.

In addition, all costs in the ICRP must be supported by formal accounting records to substantiate the propriety of eventual charges. The ICRP of the recipient should cover all applicable costs. It should also cover costs allocated under plans of other agencies or organizational units that are to be included in the costs of other federally sponsored programs. To the extent feasible, ICRPs of all agencies rendering assistance to the recipient should be presented in a single document.

Based upon Appendix VII to 2 CFR Part 200, these requirements also apply when FTA is the cognizant agency for a local government organization that has a CAP with individual departments requesting indirect cost rates. FTA determines cognizance for the individual ICRPs at the level of the local government's operating departments.

For example, FTA would serve as the cognizant agency for the city-wide central service CAP if the "City of X" receives the most direct Federal funding from FTA. In addition, the City of X's transit department and housing department each require an individual ICRP. The transit department receives the most direct Federal funding from FTA, and the housing department receives the majority of direct Federal funding from HUD. In this case, FTA would be the cognizant agency for indirect costs for the City of X transit department and review the ICRP. However, because HUD would be the cognizant agency for indirect costs for the City of X's housing department, FTA could not establish a rate and would not review the ICRP.

2. DOCUMENTATION REQUIREMENTS. Documentation requirements for an ICRP vary based on the type of organization. Please refer to the appropriate appendix of 2 CFR Part 200 for additional documentation requirements. In general, the ICRP should contain, but need not be limited to, the following:
 - a. An organization chart;
 - b. Financial statements; and
 - c. ICRP Methodology – under 2 CFR Part 200, Appendices IV and VII, the recipient may use a simplified method or multiple allocation base method for completing the ICRP. Generally, the simplified method is used where a recipient's major functions benefit from its indirect costs to approximately the same degree. The simplified method results in one

indirect cost rate for the entire recipient. Conversely the multiple allocation base method is used where a recipient's major functions benefit from indirect costs to varying degrees. The multiple allocation base method results in two or more rates related to each operating department or similar operating departments within the recipient. The calculations of the rates depend on the type of organization, therefore, refer to 2 CFR Part 200 for details.

d. Supporting Documentation:

- (1) Identification of the costs included in the indirect cost pool(s)
- (2) Identification and description of the allocation base(s)
- (3) Identification of the amount, nature, and treatment of unallowable costs and excluded items
- (4) Descriptions of the departments included in the organizational chart, including the nature of costs (direct, indirect, or combination)
- (5) Proposal Reconciliation with Financial Statements (Note: Allocated costs must be reasonable and trackable to the financial Statements.)
- (6) Identification of Federal Award Direct Cost Base (Note: Bases should be reasonable and trackable to the financial statements and supporting documents.)
- (7) A certification of conformance in the form required by 2 CFR Part 200, [Appendix VII](#), which states:

Certificate of Indirect Costs

This is to certify that I have reviewed the ICRP submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal [identify date] to establish billing or final indirect costs rates for [identify period covered by rate] are allowable in accordance with the requirements of the Federal award(s) to which they apply and the provisions of this part. Unallowable costs have been adjusted for in allocating costs as indicated in the indirect cost proposal.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Governmental Unit:

Signature:

Name of Official:

Title:

Date of Execution:

A proposal to establish an ICRP will be unacceptable if the Certificate is omitted. As noted, the certificate must include the date of the proposed covered period. This period will be included in the rate agreement. The certificate must be signed on behalf of the governmental unit by an individual at a level no lower than the chief financial officer of the governmental unit that submits the plan. For details related to documentation requirements for allocated and billed central service costs, refer to 2 CFR Part 200, Appendix VII, Section E, "Documentation Requirements for Submitted Plans," numbers 2, 3, and 4, respectively.

3. SUBMISSION REQUIREMENTS. Appendix VII requires that each local governmental unit or agency that receives over \$35 million per year in direct Federal funding submit a proposal within six months after the close of each of the governmental unit's fiscal years in which it proposes to claim indirect costs. All other governmental units claiming indirect costs must develop a plan and maintain the plan and related supporting documentation for audit. These local governments are not required to submit their plans for Federal approval unless they are specifically requested to do so by the cognizant agency for indirect costs.

Nonprofit organizations are required to submit their ICRP to the cognizant agency within six months after the close of each fiscal year.

IHEs should submit their indirect costs rate proposals to their cognizant agency (generally DHHS or DOD). The deadlines for submission of IHE ICRPs are determined by the cognizant agency.

When a subrecipient only receives Federal funds as a subrecipient, the pass-through entity will be responsible for reviewing, approving, negotiating, and monitoring the subrecipient's ICRP. Please note that if a subrecipient has a federally negotiated agreement in place, this provision does not apply and the subrecipient must use the federally approved rate.

When FTA is the cognizant agency, the ICRP must be submitted under the following circumstances:

- a. An initial plan;
- b. A change in organizational structure and accounting system that may significantly impact the ICRP;

- c. The recipient’s proposed ICRP exceeds the rate(s) last approved by FTA by more than 20 percent.
 - (1) For example, if FTA approved a 20 percent rate in 2013, and the rate increased to 23 percent in 2014, and again to 25 percent in 2015, the 2015 rate would be required to be submitted to FTA for approval as it increased by more than 20 percent.
 - d. The recipient is either a local governmental unit that receives more than \$35 million in direct Federal funding or a nonprofit entity. In accordance with 2 CFR Part 200, these entities must submit their plan annually to their cognizant agency.
 - e. For a change in ICRP methodology; and/or
 - f. Upon request for all other entities.
4. ICRP REVIEW AND APPROVAL. The cognizant agency gives approval to the ICRP that should be formalized, in a written agreement between the cognizant agency for indirect costs and the State, local government, or Indian tribe, and distributed to all interested Federal agencies, and applicable to all Federal awards in accordance with 2 CFR Part 200, Appendix VII. When it serves as the cognizant agency for indirect costs, FTA provides a written agreement, with countersignatures, to recipients. The countersigned agreement should include information required to complete the FFR, including the rate, rate type, direct cost base, and effective time period.

There are four types of indirect cost rates. These are defined and described in the following table.

| Rate Type | Indirect Cost Rate Definition | Requires Finalization | Note: |
|------------------|---|------------------------------|---|
| Provisional | A temporary indirect cost rate applicable to a specified period which is used for funding, interim reimbursement, and reporting indirect costs on Federal awards pending the establishment of a "final" rate for that period. | Yes | Provisional rates may be used when a final, predetermined, or fixed rate has not been established with a recipient. |
| Final | An indirect cost rate applicable to a specified past period which is based on the actual allowable costs of the period. It is a final audited rate and is not subject to adjustment. | No, this is the final rate. | Based on actual costs, these are used to finalize provisional rates. |

| Rate Type | Indirect Cost Rate Definition | Requires Finalization | Note: |
|-------------------------|---|---|--|
| Predetermined | A rate based on an estimate of the costs to be incurred and applied to a specified current or future period, usually the organization's fiscal year. | No, this is a firm rate and it cannot be adjusted | This type of rate is encouraged under 2 CFR Part 200. |
| Fixed with Carryforward | An indirect cost rate, which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual, allowable costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period. | Yes, but the difference is carried forward as an adjustment to the rate of the subsequent period. | The recipient must continue to monitor its rate for changes that would require resubmission. |

FTA may allow the recipient to use a provisional rate for initial submissions and required resubmissions pending completion of the review/negotiation. After a provisional rate is approved and finalized, the recipient may request a fixed rate for subsequent fiscal years until a resubmission is required. FTA may approve predetermined rates on a case-by-case basis. Please refer to 2 CFR Part 200, Appendix VII, for additional information.

5. **FTA APPLICATION AND REPORTING REQUIREMENTS.** Award budgets should clearly identify the application of indirect costs either separately or as part of an ALI. The rate used in the budget must be reflected in the documentation provided to support the inclusion of indirect costs in the budget throughout the period of performance.

Recipients charging indirect costs must include indirect cost information in the FFR. Indirect costs should be included in total expenditures, but also addressed as specific FFR elements, including the rate, the indirect expense type, the total base amount on which the indirect cost rate is determined, the period covered by the approved rate, the total amount of indirect expenses charged to the Award on a cumulative basis, and the Federal share of the indirect expenses charged. Recipients that do not have approved ICRPs throughout the period of performance should not charge indirect costs to FTA awards. See FFR instructions for entering data for single simplified rates or multiple rates.

6. **REFERENCES.** The detailed requirements for development and submission of ICRPs are contained in:
- a. 2 CFR Part 200, Appendix V;
 - b. 2 CFR Part 200, Appendix VII;

- c. A brochure published by the Department of Health and Human Services entitled “A Guide for State, Local and Indian Tribal Governments: Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government” (ASMB C-10); and
- d. All official Frequently Asked Questions and updates to 2 CFR Part 200.

APPENDIX J:

REFERENCES

1. Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq.
2. Age Discrimination in Employment Act (ADEA), 29 U.S.C. 621–634
3. Alaska Native Claims Settlement Act, 43 U.S.C. 1602 et seq.
4. Americans with Disabilities Act (ADA) of 1990, as amended, 42 U.S.C. 12101 et seq.
5. Architectural and Transportation Barriers Compliance Board regulations, “Electronic and Information Technology Accessibility Standards,” 36 CFR Part 1194.
6. Clean Air Act, as amended, 42 U.S.C. 7401 et seq.
7. Clean Water Act, as amended, 33 U.S.C. 1251–1377.
8. Congressional Declaration of Policy Respecting Insular Areas, 48 U.S.C. 1469a.
9. Continuing Resolutions or Other Appropriations Resolutions or Acts Funding the U.S. Department of Transportation.
10. Davis-Bacon Act, as amended, 40 U.S.C. 3141 et seq.
11. Disadvantaged Business Enterprises, 23 U.S.C. 101 note.
12. Energy Policy and Conservation Act, as amended, 42 U.S.C. 6321 et seq.
13. Equal Employment Opportunity Commission regulations, “Age Discrimination in Employment Act,” 29 CFR Part 1625.
14. Executive Order No. 12898, “Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations,” February 11, 1994, 42 U.S.C. 4321 note.
15. Executive Order No. 13166, “Improving Access to Services for Persons with Limited English Proficiency,” August 11, 2000, 42 U.S.C. 2000d-1 note.
16. Executive Order No. 13690, “Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input,” January 30, 2015, 42 U.S.C. 4321.
17. Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109–282, September 26, 2006.
18. Federal Transit Laws, 49 U.S.C. 53.
19. Federal-Aid Highway and Surface Transportation Laws, 23 U.S.C.
20. Federally Recognized Indian Tribe List Act of 1994, as amended, 25 U.S.C. 5130.

21. Fixing America's Surface Transportation (FAST) Act, Pub. L. 114-94, December 4, 2015.
22. Flood Disaster Protection Act of 1973, 42 U.S.C. 4012a(a).
23. Former OMB Circular A-94, "Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs," Oct. 29, 1992.
24. FTA Circular 4220.1F, "Third Party Contracting Guidance," March 13, 2013, and superseded by a later edition, if published.
25. FTA Circular 4702.1B, "Title VI Requirements and Guidelines for FTA Recipients," October 1, 2012, and superseded by a later edition, if published.
26. FTA Circular 4703.1, "Environmental Justice Policy Guidance for Federal Transit Administration Recipients," August 15, 2012, and superseded by a later edition if published.
27. FTA Circular 4704.1A, "Equal Employment Opportunity (EEO) Requirements and Guidelines for Federal Transit Administration Recipients," October 31, 2016, and superseded by a later edition, if published.
28. FTA Circular 4710.1, "Americans with Disabilities Act: Guidance," October 5, 2015, and superseded by a later edition, if published.
29. FTA Circular 5010.1F, "Award Management Requirements," 11-01-2024, and superseded by a later edition, if published.
30. FTA Circular 6100.1E, "Research, Technical Assistance and Training Program: Application Instructions and Program Management Guidelines," April 10, 2015, and superseded by a later edition, if published.
31. FTA Circular 7050.1C, "Guidance on Joint Development," August 14, 2020, and superseded by a later edition, if published.
32. FTA Circular 8100.1D, "Program Guidance for Metropolitan Planning and State Planning and Research Program Grants," September 10, 2018, and superseded by a later edition, if published.
33. FTA Circular 9040.1H, "Rural Areas Formula Grant Programs Guidance" 11-01-2024, and superseded by a later edition, if published.
34. FTA Circular 9050.1A, "Urbanized Areas Formula Grant Programs Guidance," 11-01-2024, and superseded by a later edition, if published.
35. FTA Circular 9070.1H, "Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance," 11-01-2024, and superseded by a later edition, if published.
36. FTA Circular 9300.1B, "Capital Investment Program Guidance and Application Instructions," November 1, 2008, and superseded by a later edition, if published.
37. [FTA ITS Policy](#), January 8, 2001, and later editions, when issued.
38. FTA Master Agreement FTA MA (30), November 2, 2022, and later editions of the FTA Master Agreement, when issued.

39. FTA regulations, "Project Management Oversight," 49 CFR Part 633.
40. FTA regulations, "Requirements for Energy Assessments," 49 CFR Part 622, subpart C.
41. FTA regulations, "State Safety Oversight," 49 CFR Part 674.
42. FTA regulations, "Transit Asset Management; National Transit Database," 49 CFR Parts 625 and 630.
43. Guidelines for Disbursements, [FTA ECHO-Web System Operations Manual](#)
44. Health and Human Services regulations, "Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance," 45 CFR Part 90.
45. Indian Self-Determination Act Amendments of 1994, 25 U.S.C. 5304(d).
46. Infrastructure Finance, 23 U.S.C. 6.
47. Internal Revenue Code, Non-profit Organizations, 26 U.S.C. 501(c).
48. Joint Federal Highway Administration / FTA regulations, "Planning Assistance and Standards," 23 CFR Part 450 and 49 CFR Part 613.
49. Joint FHWA and FTA regulations, "Environmental Impact and Related Procedures," 23 CFR Part 771 and 49 CFR Part 622.
50. Money and Finance, 31 U.S.C. 6304 and 6305.
51. Moving Ahead for Progress in the 21st Century (MAP-21), Pub. L. 112-141, July 6, 2012.
52. National Environmental Policy Act (NEPA), 42 U.S.C. 4321 et seq.
53. National Flood Insurance Act of 1968, 42 U.S.C. 50.
54. Office of Management and Budget (OMB), "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 CFR Part 200.
55. OMB Circular "Cost Principles for State, Local, and Indian Tribal Governments," former 2 CFR Part 225.
56. OMB Circular A-122, "Cost Principles for Non-Profit Organizations," former 2 CFR Part 230.
57. OMB Circular A-21, "Cost Principles for Educational Institutions," former 2 CFR Part 220.
58. OMB regulatory guidance, "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 CFR Part 180.
59. Policy on Lands, Wildlife, and Waterfowl Refuges, and Historic Sites, 49 U.S.C. 303.
60. Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. 3801 et seq.

-
61. Railroad Revitalization and Regulatory Reform Act of 1976, 45 U.S.C. 801 et seq.
 62. Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Pub. L. 109–59, Aug. 10, 2005, as amended by the SAFETEA-LU Technical Corrections Act of 2008, Pub. L. 110–244, June 6, 2008.
 63. Section 106 of the National Historic Preservation Act, 54 U.S.C. 306108.
 64. Section 13(a) or 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. 78m(a).
 65. Single Audit Amendments of 1996, 31 U.S.C. 7501 et seq.
 66. The Rehabilitation Act of 1973, as amended, 29 U.S.C. 794.
 67. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. 4601 et seq.
 68. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d et seq.
 69. Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e et seq.
 70. U.S. Department of Treasury regulations, “Rules and Procedures for Efficient Federal-State Funds Transfers,” 31 CFR Part 205.
 71. United States Housing Act of 1937, 42 U.S.C. 1437 et seq.
 72. USDOT Order to Address Environmental Justice in Minority Populations and Low-Income Populations, 62 FR 18377, April 15, 1997.
 73. USDOT Policy Guidance Concerning Recipients’ Responsibilities to Limited English Proficient (LEP) Persons, 70 FR 74087, December 14, 2005.
 74. USDOT regulations “Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance,” 49 CFR Part 25.
 75. USDOT regulations, “Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles,” 49 CFR Part 38.
 76. USDOT regulations, “Government-wide Debarment and Suspension (Nonprocurement),” 49 CFR Part 1200.
 77. USDOT regulations, “Nondiscrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964,” 49 CFR Part 21.
 78. USDOT regulations, “Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance,” 49 CFR Part 27.
 79. USDOT regulations, “Nonprocurement Suspension and Debarment,” 2 CFR Part 1200.
 80. USDOT regulations, “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Financial Assistance Programs,” 49 CFR Part 26.

-
81. USDOT regulations, “Transportation for Individuals with Disabilities: Passenger Vessels,” 49 CFR Part 39.
 82. USDOT regulations, “Transportation Services for Individuals with Disabilities (ADA),” 49 CFR Part 37.
 83. USDOT regulations, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” former 49 CFR Part 18.
 84. USDOT regulations, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations,” former 49 CFR Part 19.
 85. USDOT regulations, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 1201.
 86. USDOT regulations, “Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs,” 49 CFR Part 24.

INDEX

2

2 CFR 1201.1 ii
2 CFR 200.1 I-5, I-9, I-10, I-11, IV-28, VI-6, VI-18, H-1
2 CFR Part 1201..... i, I-2, II-1, II-7, III-15, IV-1, VI-11, J-5
2 CFR Part 200.i, I-2, I-3, I-4, I-6, I-8, I-10, I-12, II-1, II-6, II-7, III-7, III-9, III-15, III-17, III-32,
III-39, IV-1, IV-4, V-1, V-2, VI-5, VI-10, VI-12, VI-13, VI-14, VI-15, VI-16, VI-17, VI-18,
VI-20, VI-21, H-1, H-2, H-3, H-4, H-5, I-1, I-2, I-3, I-4, I-5, I-6, I-7, J-3
2 CFR Parts 220, 225, and 230 I-3, VI-5

4

40 CFR Parts 1500-1508..... III-5
42 U.S.C. 4321 et seq..... I-14, B-1, J-3
42 U.S.C. 7401 et seq..... J-1
42 U.S.C. 4601 et seq..... ii
49 CFR Parts 18 and 19 i, I-2, II-1, VI-11
49 U.S.C. 5302..... I-1, I-2, I-4, I-6, I-8, I-13, I-15, I-17, III-11, III-30, III-31, IV-15, IV-24, B-6
49 U.S.C. 5302(13) I-15
49 U.S.C. 5302(4) I-6, III-11, III-31, IV-15, IV-24
49 U.S.C. 5307 V-2, V-4, VI-7, VI-12
49 U.S.C. 5311 III-28, III-29, V-2
49 U.S.C. 5339(a) VI-6, VI-12, VI-13
49 U.S.C. Chapter 53 ii, I-1, I-14, II-1, IV-3, IV-23, IV-27, IV-34, V-2, V-4, VI-5

8

89 FR 30046..... i

A

Accrual Basis of Accounting I-2, III-21, VI-10
Acquisition Cost..... I-2, I-9, I-22, IV-12, IV-21, IV-31, IV-45, VI-13, D-2
Activity Line Item (ALI) I-3, I-24, III-17, III-20, III-32, III-33, III-35, III-38, B-4, B-5, B-6, B-9,
B-11, B-12, C-2, C-3, C-4, C-5, C-6, I-6
Administrative Amendment..... I-3, III-31, III-34, III-36, C-1, C-5, C-6
Administrative Requirements i, I-1, II-1, II-2, II-20, III-1, III-34, III-40, IV-1, V-1, V-2, VI-3, A-
1, J-5
Administrative Settlement I-3, III-25, IV-9, IV-13, IV-14, IV-21, D-3
Advance Payment I-3, VI-5, VI-22
Age Discrimination Act of 1975..... II-14, J-1
Age Discrimination in Employment Act (ADEA)..... I-24, II-14, J-1

| | |
|---|---|
| Agency Safety Plan (ASP)..... | I-19 |
| Allocation. I-3, I-6, I-7, I-21, I-25, II-7, III-4, III-5, III-43, VI-15, VI-16, H-1, H-2, H-3, H-5, I-2, I-3, I-7 | |
| Allowable Costs | I-7, III-9, VI-11, VI-12, VI-13, VI-19, H-1, H-3, I-5, I-6 |
| Americans with Disabilities Act of 1990 (ADA)I-8, I-24, II-3, II-11, II-12, III-11, IV-37, V-3, B-2, J-1, J-2, J-4 | |
| Appalachian Region..... | II-4 |
| Applicant.... I-3, I-4, I-18, II-13, II-15, II-29, II-30, II-32, III-1, III-2, III-13, III-14, III-15, III-16, III-17, III-19, III-34, IV-39, VI-6, VI-7, VI-8, VI-9, VI-16, VI-20, A-1, B-1, B-2, B-4, B-5, B-6, B-7, B-9, B-10, B-11, B-12, C-1 | |
| Apportionment | I-4, I-17, II-4, II-8, III-15, III-18, III-19, III-26, III-31 |
| Apportionment Notice | I-17, III-18, III-19 |
| Approval .. I-14, I-17, II-7, II-9, II-10, II-11, II-20, II-24, II-30, III-5, III-6, III-7, III-9, III-16, III-18, III-25, III-27, III-31, III-32, III-36, III-37, IV-12, IV-19, IV-24, IV-25, IV-26, IV-27, IV-31, IV-37, IV-40, IV-47, IV-50, IV-51, VI-7, VI-16, VI-24, B-3, B-4, B-6, B-10, B-11, C-1, C-2, C-3, C-5, H-3, H-4, I-1, I-2, I-4, I-5 | |
| Area Median Income..... | I-24, IV-28 |
| Area Median Income (AMI) | I-24 |
| Assistance Listings..... | I-4 |
| Associated Capital Maintenance..... | I-4, B-6 |
| Associated Transit Improvement (ATI)..... | I-4, I-22, B-5 |
| Audit ...i, I-4, I-5, I-6, I-7, I-10, I-19, I-26, II-1, II-7, II-24, III-21, III-39, III-42, III-43, V-1, V-2, V-5, VI-3, VI-6, VI-14, VI-15, VI-16, VI-20, VI-21, H-2, H-3, H-4, I-2, I-4, J-4 | |
| Audit Finding | I-4, I-7, I-19, VI-20, VI-21 |
| Auditee | I-4, I-7, VI-20, VI-21 |
| Auditor | I-4, I-5, I-13, I-19, IV-34, VI-20, VI-21 |
| Automated Clearing House (ACH)..... | I-24, VI-22, VI-24 |
| Award.i, v, vi, I-3, I-4, I-5, I-6, I-7, I-8, I-9, I-10, I-14, I-15, I-16, I-17, I-18, I-21, I-22, I-24, II-1, II-2, II-6, II-7, II-11, II-18, II-24, II-25, III-1, III-2, III-5, III-6, III-7, III-10, III-11, III-13, III-14, III-16, III-17, III-18, III-19, III-20, III-21, III-22, III-23, III-24, III-25, III-26, III-27, III-30, III-31, III-32, III-33, III-34, III-35, III-36, III-37, III-38, III-39, III-40, III-41, III-42, III-43, III-44, IV-1, IV-2, IV-4, IV-5, IV-6, IV-7, IV-8, IV-10, IV-12, IV-14, IV-15, IV-16, IV-17, IV-18, IV-20, IV-21, IV-22, IV-24, IV-26, IV-27, IV-30, IV-31, IV-32, IV-33, IV-34, IV-39, IV-40, IV-43, IV-46, IV-49, IV-50, IV-51, V-6, VI-1, VI-2, VI-3, VI-4, VI-5, VI-11, VI-12, VI-14, VI-16, VI-18, VI-19, VI-22, VI-23, VI-25, VI-26, A-1, B-1, B-3, B-4, B-10, C-1, C-2, C-3, C-5, E-6, F-1, G-1, G-2, G-3, G-4, G-5, H-1, I-1, I-6, J-2 | |
| Award Budget ...I-5, I-7, I-8, I-21, II-7, III-2, III-9, III-14, III-17, III-20, III-21, III-22, III-24, III-31, III-32, III-33, III-34, III-35, III-36, III-38, IV-2, VI-11, B-1, C-1, C-2 | |
| Award Management Requirements..... | i, J-2 |

B

| | |
|---|--------------|
| Beneficiary | I-21, III-28 |
| Best Practices Procurement Manual | II-16 |
| Brownfields..... | I-5, IV-15 |

| | |
|--------------------------------|---|
| Budget Revision.. | I-5, II-8, III-21, III-24, III-31, III-32, III-33, III-36, B-2, B-8, B-9, C-1, C-2, C-3, C-4, C-5, F-2 |
| Bureau of Indian Affairs (BIA) | I-11 |
| Bus | I-1, I-4, I-15, I-18, I-20, I-23, II-4, II-5, II-16, II-17, II-18, II-21, II-22, II-23, II-25, II-28, II-32, II-33, III-10, III-20, III-30, III-36, IV-19, IV-21, IV-24, IV-25, IV-30, IV-32, IV-35, IV-36, IV-37, IV-38, IV-39, IV-40, IV-41, IV-43, IV-46, IV-48, V-4, VI-7, VI-9, B-6, B-7, B-8, B-9, C-5, F-3, F-4, G-3, G-4, G-5 |
| Buy America | II-15, II-17, II-18, II-19, II-20, II-21, III-6, IV-38, IV-43 |
| Buy America Requirements | II-19, II-20, IV-38 |

C

| | |
|---|---|
| Capital Asset | I-5, I-6, I-21, I-22, I-24, III-29, IV-3, IV-34, IV-35, IV-41, IV-42, VI-14 |
| Capital Cost of Contracting | VI-9, VI-14 |
| Capital Expenditures | I-5, I-14, C-4 |
| Capital Investments | III-3 |
| Capital Lease | I-6, IV-41, IV-42, IV-43 |
| Capital Project | I-4, I-6, I-8, I-11, I-13, I-17, II-2, II-4, II-5, III-6, III-7, III-9, III-10, III-18, III-30, III-31, III-42, IV-18, IV-24, IV-26, VI-6, VI-7, B-1, B-6, B-9 |
| Cash Basis of Accounting | I-6, III-22 |
| Catalog of Federal Domestic Assistance (CFDA) | I-4 |
| Catalog of Federal Domestic Assistance (CFDA) Numbers | I-4 |
| Categorical Exclusion (CE) | I-25, II-28, III-5, III-18, IV-5, IV-16, B-5, B-12 |
| Certification and Assurances | II-6 |
| Certifications and Assurances | II-9, II-18, II-21, III-14, III-15, III-16, III-17, IV-1, A-1, B-1, B-10 |
| Circular 4220 | II-15, II-21, III-15, III-25, IV-31, J-2 |
| Circular 4220.1 | II-15, II-21, III-15, III-25, IV-31, J-2 |
| Circular 4702.1, | II-13, II-15, II-33, III-27, V-3, J-2 |
| Circular 5010.1, | i, II-1, III-26, J-2 |
| Circular 7050.1C | I-13, IV-15, IV-24, VI-7, VI-10, J-2 |
| Civil Rights | II-9, II-11, II-13, II-14, II-15, II-20, III-15, III-16, III-27, III-28, III-40, V-1, V-2, V-3, V-4, V-6, B-2, B-10, C-2, J-4 |
| Civil Rights Act of 1964 | II-13, II-14, J-4 |
| Civil Rights Officer | B-2 |
| Claim | I-6, III-41, III-43, D-4, H-3, I-1, I-4 |
| Clean Air Act (CAA) | I-24, II-22, II-23, III-5, III-32, J-1 |
| Clean Fuel Bus | II-23 |
| Clean Water Act | II-28, III-5, J-1 |
| Closeout | I-6, II-25, III-1, III-2, III-14, III-16, III-37, III-38, III-39, III-41, III-43, IV-27, VI-14, VI-19, VI-26, B-10 |
| Code of Federal Regulations (CFR) | .i, ii, I-2, I-4, I-6, I-10, I-13, I-14, I-17, I-19, I-22, I-23, I-25, II-1, II-4, II-9, II-10, II-11, II-12, II-13, II-14, II-15, II-16, II-17, II-18, II-19, II-20, II-21, II-22, II-23, II-25, II-26, II-27, II-28, II-29, II-31, II-32, III-2, III-3, III-4, III-5, III-6, III-12, III-15, III-22, III-27, III-28, III-39, III-40, III-41, IV-1, IV-2, IV-3, IV-4, IV-5, IV-6, IV-7, IV-8, IV-9, IV-10, IV-11, IV-18, IV-25, IV-26, IV-31, IV-32, IV-33, IV-34, IV-35, IV-37, IV-39, IV-43, IV-46, IV-49, V-3, V-4, V-5, V-6, VI-5, VI-6, VI-7, VI-9, VI-10, VI-11, VI-13, VI-15, |

| | |
|---|---|
| VI-18, VI-19, VI-20, VI-21, VI-22, VI-24, B-5, C-3, C-4, E-1, E-2, H-1, I-1, I-3, J-1, J-3, J-4, J-5 | |
| Cognizant Agency for Audit..... | I-6, VI-15 |
| Cognizant Agency for Indirect Costs...I-6, I-14, VI-15, VI-16, VI-17, H-2, H-3, H-4, I-1, I-2, I-4, I-5 | |
| Commercial Driver’s License (CDL) | I-25, II-23 |
| Common Rule or Common Grant Rule | I-2, VI-11, VI-12 |
| Community Development Block Grant (CDBG) | I-25, VI-10 |
| Commuter Rail..... | I-1, I-18, II-25 |
| Computing Devices..... | I-6, I-9, I-22 |
| Congestion Mitigation and Air Quality (CMAQ)..... | I-25, B-9 |
| Congestion Mitigation and Air Quality (CMAQ) Improvement Program | B-4, B-9 |
| Congressional Declaration of Policy Respecting Insular Areas | J-1 |
| Consultation | II-4, II-22, III-4, III-34 |
| Contingency Fleet | I-7, IV-39, IV-41 |
| Cooperative Agreement .. I-2, I-3, I-4, I-7, I-9, I-10, I-11, I-14, I-15, I-16, I-17, I-19, I-20, I-21, I-22, II-2, II-6, II-7, II-8, II-9, II-11, II-12, II-27, II-31, III-1, III-2, III-5, III-16, III-17, III-18, III-20, III-25, III-31, III-32, III-33, III-34, III-35, III-36, III-37, III-38, III-39, III-40, III-41, III-42, IV-16, IV-21, IV-32, IV-44, V-6, VI-1, VI-2, VI-4, VI-5, VI-11, VI-15, VI-16, VI-19, VI-23, B-1, C-2 | |
| Corrective Action..... | I-7, VI-21, E-3 |
| Cost Allocation Plan (CAP)I-7, I-25, III-7, III-23, VI-11, VI-15, VI-16, VI-17, B-6, H-1, H-2, H-3, H-4, H-5, I-1, I-2 | |
| Cost Objective..... | I-3, I-7, I-12, VI-11, VI-14, VI-15, H-1, I-1 |
| Cost Sharing..... | I-8, III-14 |
| Cost Sharing, Matching, or Non-Federal Share..... | I-8 |
| Council on Environmental Quality (CEQ) | I-14, I-25 |

D

| | |
|--|--|
| Data Universal Numbering System (DUNS) Number..... | I-23 |
| Davis-Bacon Act..... | II-30, III-44, J-1 |
| Debarment and Suspension..... | II-23, III-15, J-3, J-4 |
| Debarment and Suspension (Nonprocurement) | J-3, J-4 |
| Debt Service Reserve (DSR) | I-25, VI-13, VI-26 |
| Decent, Safe, and Sanitary (DSS)..... | I-25, IV-11 |
| Demand Responsive Service..... | II-12 |
| Depreciation.....I-8, I-11, I-21, III-9, IV-19, IV-25, IV-34, IV-47, VI-6, G-3, G-4, G-5 | |
| Designated Recipient | I-8, I-17, II-3, II-8, II-9, II-31, III-4, III-5, IV-3, VI-20, A-1, B-3, B-9 |
| Development | I-3, I-13, I-14, II-2, II-4, II-5, II-25, II-26, II-28, II-30, III-2, III-3, III-10, III-13, III-16, III-17, IV-2, IV-3, IV-12, IV-13, IV-15, IV-18, IV-24, IV-27, IV-28, IV-29, IV-30, VI-4, VI-17, B-2, B-3, D-1, D-4, E-6, H-1, H-5, I-1, I-6 |
| Direct Carbon Emissions | I-8, I-13 |
| Direct Recipient | I-8, I-20, II-25, II-26, IV-30 |
| Disability..... | I-1, I-8, I-18, II-12, II-31, V-3, V-4, J-4 |

| | |
|--|--|
| Disadvantaged Business Enterprise (DBE) | I-25, II-9, II-10, II-11, II-15, II-20, III-27, IV-38, V-3, B-2, B-11, J-1, J-4 |
| Disallowed Costs | I-8, VI-14 |
| Discretionary Award | I-8, III-36 |
| Disposition | I-7, I-9, I-10, I-20, III-9, III-37, III-38, III-39, III-43, IV-1, IV-4, IV-8, IV-15, IV-18, IV-19, IV-20, IV-21, IV-25, IV-26, IV-27, IV-30, IV-32, IV-34, IV-36, IV-38, IV-39, IV-41, IV-45, IV-46, IV-47, IV-48, IV-49, IV-50, VI-1, VI-7, VI-19, D-5, F-1, G-1 |
| Drug and Alcohol (D&A) | I-25, II-25, II-27, V-1, V-4, V-5 |
| Drug and Alcohol Management Information System (DAMIS) | I-25, V-5 |
| Drug-Free Workplace | II-26, II-27 |
| Drug-Free Workplace Act of 1988 | II-26 |

E

| | |
|---|--|
| Electronic Award Management System | I-22, I-23, III-33, B-1 |
| Electronic Clearing House Operation | I-9, I-25, II-9, VI-22 |
| Electronic Clearing House Operation (ECHO) System | I-9 |
| Electronic Clearing House Operation Web (ECHO-Web) System | VI-22, VI-23, VI-25, J-3 |
| Eligible Subrecipients | II-31 |
| Emergency Relief (ER) | I-25, II-4, III-8, IV-2 |
| Emergency Relief Program | II-4 |
| Environmental Assessment (EA) | I-25, II-28, III-5, B-12 |
| Environmental Impact Statement (EIS) | I-25, II-28, III-5, B-12 |
| Environmental Justice (EJ) | I-25, II-14, II-29, J-1, J-2, J-4 |
| Environmental Protection Agency (EPA) | I-5, I-8, I-14, I-25, II-22 |
| Environmental Site Assessment (ESA) | I-25, IV-6, IV-15, IV-16, IV-17, E-4 |
| Equal Employment Opportunity | I-25, II-14, II-15, III-28, J-1, J-2 |
| Equal Employment Opportunity (EEO) Program | II-15, III-28, V-3, B-2 |
| Equal Employment Opportunity (EEO) Requirements | II-14, II-15, V-3, J-2 |
| Equal Employment Opportunity Commission (EEOC) | I-25, II-14, J-1 |
| Equipment | I-2, I-4, I-5, I-6, I-9, I-10, I-12, I-14, I-18, I-19, I-20, I-21, I-22, II-1, II-4, II-5, II-7, II-17, II-23, II-26, III-8, III-9, III-11, III-12, III-18, III-20, III-24, III-32, III-37, III-39, III-41, III-43, IV-1, IV-2, IV-3, IV-19, IV-23, IV-24, IV-30, IV-31, IV-32, IV-33, IV-34, IV-35, IV-36, IV-38, IV-40, IV-42, IV-43, IV-44, IV-45, IV-46, IV-47, IV-48, IV-49, IV-50, IV-51, V-4, VI-1, VI-3, VI-7, VI-9, VI-13, VI-14, VI-18, VI-20, VI-25, B-7, B-8, C-3, C-4, E-3, F-1, G-1, G-2 |
| Equipment Inventory | I-9, IV-19, IV-47, IV-51 |
| Equipment Management | IV-44 |
| Excess Property | I-9, IV-20, IV-21, IV-26, D-5 |
| Execute | I-9, III-1, III-6, III-17, III-39, IV-32, A-1, B-10 |
| Executive Order 12898 | II-14, II-29 |
| Executive Order 13330 | II-5 |
| Expenditures | I-5, I-9, I-23, II-7, III-2, III-22, III-23, V-1, VI-3, VI-4, VI-8, VI-11, VI-15, B-6, I-6 |

F

| | |
|--|--|
| FAA Enterprise Service Center (ESC) | I-25, VI-25 |
| Facilities ...I-4, I-8, I-9, I-10, I-11, I-12, I-26, II-4, II-5, II-7, II-12, II-13, II-17, II-23, II-24, II-25, II-28, II-33, III-6, III-8, III-10, III-11, III-12, III-36, III-41, IV-1, IV-3, IV-11, IV-18, IV-19, IV-21, IV-22, IV-23, IV-24, IV-25, IV-34, IV-36, IV-37, IV-40, V-4, VI-1, VI-7, VI-14, VI-15, B-7 | |
| Facilities and Administration (F&A) | I-8, I-12, I-26 |
| Fair Market Value ...I-4, I-8, I-10, I-21, I-26, IV-5, IV-6, IV-7, IV-8, IV-14, IV-15, IV-20, IV-25, IV-26, IV-27, IV-28, IV-29, IV-30, IV-45, IV-47, IV-48, IV-49, IV-50, E-2, E-3, F-1 | |
| Fair Market Value (FMV)..... | I-10, I-26 |
| Federal Acquisition Regulation (FAR)..... | I-10, I-26, VI-11 |
| Federal Agency | I-3, I-6, I-10, II-17, VI-10, VI-15, H-4, I-2 |
| Federal Assistance .. i, I-1, I-3, I-4, I-8, I-10, I-11, I-15, I-16, I-17, I-18, I-19, I-21, II-1, II-2, II-3, II-4, II-5, II-6, II-7, II-8, II-9, II-15, II-16, II-23, II-29, II-32, III-1, III-5, III-13, III-14, III-15, III-17, III-19, III-20, III-21, III-24, III-26, III-27, III-28, III-30, III-31, III-32, III-34, III-35, III-36, III-38, III-39, III-40, III-41, III-42, III-44, IV-2, IV-3, IV-4, IV-5, IV-12, IV-14, IV-18, IV-26, IV-30, IV-31, IV-32, IV-34, IV-35, IV-46, IV-51, V-3, V-4, VI-1, VI-2, VI-4, VI-12, VI-14, VI-18, VI-19, VI-20, VI-21, VI-22, VI-23, VI-24, VI-25, VI-26 | |
| Federal Audit Clearinghouse (FAC)..... | I-6, I-10, I-26, VI-15, VI-20 |
| Federal Aviation Administration (FAA)..... | I-25, I-26, VI-24, VI-25 |
| Federal Award...i, I-3, I-5, I-6, I-7, I-8, I-9, I-10, I-11, I-13, I-15, I-16, I-17, I-18, I-21, I-22, I-24, I-26, II-1, II-15, II-17, III-1, III-15, III-26, III-35, III-37, III-38, III-39, III-40, III-41, III-42, IV-2, IV-27, IV-32, IV-46, V-1, V-2, VI-1, VI-5, VI-13, VI-14, VI-16, VI-18, VI-19, B-4, H-1, H-2, H-3, H-4, I-1, I-3, I-5 | |
| Federal Award Date | I-10, I-16 |
| Federal Award Identification Number (FAIN) ..I-26, III-1, IV-21, IV-44, IV-51, VI-24, VI-25, B-10 | |
| Federal Awardee Performance and Integrity Information System (FAPIS) | I-26, III-38, III-39 |
| Federal Emergency Management Agency (FEMA) | II-4 |
| Federal Financial Report (FFR) ... I-2, I-6, I-17, I-23, I-26, II-9, III-2, III-17, III-18, III-20, III-21, III-22, III-23, III-25, III-26, III-37, III-38, III-42, VI-6, VI-23, B-10, H-5, I-5, I-6 | |
| Federal Funding Accountability and Transparency Act of 2006 or Transparency Act, Public Law 109-282, as amended by Section 202(a) of Public Law 110-25, 31 U.S.C. 6101 | I-26, III-26, J-1 |
| Federal Highway Administration (FHWA) ...I-14, I-26, II-22, II-33, III-2, III-3, III-4, VI-7, VI-8, B-2, B-3, B-5, J-3 | |
| Federal Interagency Coordinating Council on Access and Mobility (CCAM) .. | I-25, II-5, II-6, VI-10 |
| Federal Interest..... | I-10, IV-20, IV-31, IV-47, G-1, G-2, G-3, G-4, G-5 |
| Federal Lands Transportation Program (FLTP) | VI-7 |
| Federal Motor Carrier Safety Administration (FMCSA)..... | I-26, II-23, II-25 |
| Federal Railroad Administration (FRA) | I-14, I-26, II-25, B-5 |
| Federal Register (FR).. ii, I-2, I-23, I-26, II-2, II-13, III-19, IV-1, IV-27, IV-48, VI-12, VI-14, J-4 | |
| Federal Share | I-11, III-23, III-39, VI-8, F-3, G-1, G-2, G-3, G-4, G-5 |
| Federal Transit Administration (FTA) .. i, ii, I-1, I-2, I-3, I-4, I-5, I-6, I-7, I-8, I-9, I-10, I-11, I-13, I-14, I-15, I-16, I-17, I-18, I-19, I-20, I-21, I-22, I-23, I-24, I-26, II-1, II-2, II-3, II-4, II-5, II-6, | |

II-7, II-8, II-9, II-10, II-11, II-12, II-13, II-14, II-15, II-16, II-17, II-18, II-19, II-20, II-21, II-22, II-24, II-25, II-26, II-27, II-28, II-29, II-30, II-31, II-32, II-33, III-1, III-2, III-3, III-4, III-5, III-6, III-7, III-9, III-10, III-11, III-13, III-14, III-15, III-16, III-17, III-18, III-19, III-20, III-21, III-22, III-23, III-24, III-25, III-26, III-27, III-28, III-29, III-30, III-31, III-32, III-33, III-34, III-35, III-36, III-37, III-38, III-39, III-40, III-41, III-42, III-43, III-44, IV-1, IV-2, IV-3, IV-4, IV-5, IV-6, IV-7, IV-8, IV-9, IV-10, IV-11, IV-12, IV-13, IV-14, IV-15, IV-16, IV-17, IV-18, IV-19, IV-20, IV-21, IV-22, IV-23, IV-24, IV-25, IV-26, IV-27, IV-28, IV-29, IV-30, IV-31, IV-32, IV-33, IV-34, IV-35, IV-36, IV-37, IV-38, IV-39, IV-40, IV-41, IV-42, IV-43, IV-44, IV-45, IV-46, IV-47, IV-48, IV-49, IV-50, IV-51, V-1, V-2, V-3, V-4, V-5, V-6, VI-1, VI-2, VI-5, VI-6, VI-7, VI-8, VI-9, VI-10, VI-11, VI-12, VI-14, VI-15, VI-16, VI-18, VI-19, VI-20, VI-21, VI-22, VI-23, VI-24, VI-25, VI-26, A-1, B-1, B-2, B-3, B-4, B-5, B-6, B-8, B-9, B-10, B-13, C-1, C-2, C-3, C-4, C-5, C-6, E-4, E-5, F-1, G-1, G-2, G-3, G-4, H-1, H-2, H-3, H-4, H-5, I-1, I-2, I-4, I-5, I-6, J-2, J-3

Federally Recognized Indian Tribe..... I-1, I-5, I-11, I-15, III-29, IV-46, J-1

FFATA Subaward Reporting System (FSRS)..... I-26, III-26

Final Environmental Impact Statement (FEIS)..... I-26, II-28, III-5, III-18, IV-16

Financial Accounting Standards Board (FASB)..... I-5, I-11, I-26

Financial Management..... I-26, II-1, II-2, II-8, III-14, III-22, III-39, V-1, V-2, VI-4

Financial Management Oversight (FMO)..... I-26, III-14, V-2, H-5

Financial Purpose Code (FPC)..... I-26, III-32, III-35, C-2, C-3, C-5

Financial Status Report III-16

Finding Of No Significant Impact (FONSI) I-26, II-28, III-5, III-18, IV-16

Fixed Fueling Infrastructure I-9

Fixed Guideway I-1, I-9, I-13, I-18, II-2, II-3, II-5, III-36, IV-36, V-4, B-7

Fixing America’s Surface Transportation (FAST) Act I-1, I-6, I-26, IV-42, J-2

Floor Area Ratio (FAR) I-26

Force Account..... I-11, II-7, III-7, III-8, III-9, B-3

Formula Funding..... I-11, II-2, II-3, III-1, III-28, V-2

Formula Grants for Rural Areas
Program Guidance and Application Instructions II-3, II-4, II-25, III-28, V-2

Formula Grants for Rural Areas Program..... II-3

Freedom of Information Act (FOIA) I-26, III-44, VI-24

FTA Approval III-6, III-7, III-9, III-36, IV-12, IV-24, IV-33, IV-48, IV-49, IV-50, VI-6, VI-7, B-2, C-1, C-5, H-3

FTA C 7050.1C..... III-11

FTA Circular 5010.1E i

Funding . I-7, I-8, I-9, I-10, I-11, I-15, I-22, I-23, II-2, II-3, II-5, II-6, II-21, II-25, II-28, II-32, III-15, III-16, III-18, III-19, III-26, III-30, III-33, III-35, III-36, IV-1, IV-3, IV-19, IV-20, IV-30, IV-31, IV-44, V-2, V-3, VI-5, VI-7, VI-11, VI-15, VI-16, VI-17, B-2, B-5, B-6, B-9, B-11, B-12, C-2, C-3, C-4, C-5, E-3, H-2, I-1, I-2, I-4, I-5, J-1

G

Generally Accepted Accounting Principles (GAAP) .I-3, I-5, I-11, I-26, III-14, IV-34, VI-12, VI-21

Generally Accepted Government Auditing Standards (GAGAS) I-5, I-11, I-26, VI-21

| | |
|---|---|
| Government Accounting Standards Board (GASB)..... | I-5, I-11, I-26 |
| Governor | I-8, I-14, II-3, II-4, II-30, III-3, III-26 |
| Grant Agreement..... | I-10, I-11, II-6, II-31, III-19, V-2, V-6, VI-9 |
| Grant Application..... | II-29, III-2, III-16, IV-33, IV-38, VI-6, VI-8, VI-9, B-3, C-1, C-6 |
| Grants for Buses and Bus Facilities Program | II-5 |
| Grants.Gov | I-4, II-2, III-13 |
| Guidance on Joint Development..... | I-13, III-11, J-2 |

H

| | |
|------------------------------------|--|
| Highest and Best Use (HBU)..... | I-27, IV-16, IV-25, E-2, E-4, E-5, E-6 |
| Human Service Transportation | II-5 |

I

| | |
|---|--|
| Idle Capacity | I-11, IV-19 |
| Idle Facility | I-12 |
| Incidental Use | I-12, I-21, IV-21, IV-22, IV-23, IV-24, IV-25, IV-32, IV-33, IV-34 |
| Indian Tribal Governments..... | II-16, H-5, I-7 |
| Indirect (Facilities & Administrative (F&A) Costs | I-8, I-12, I-26 |
| Indirect Cost Rate Proposal (ICRP)..... | I-12, I-27, III-7, III-23, VI-11, VI-15, VI-16, VI-17, H-1, H-2, I-1, I-2, I-3, I-4, I-5 |
| Information Technology (IT)..... | I-9, I-12, VI-13, J-1 |
| Information Technology Systems..... | I-9, I-12, VI-13 |
| Infrastructure Investment and Jobs Act | i, I-1, I-27 |
| Infrastructure Investment and Jobs Act (IIJA)..... | i, I-1, I-2, I-27, II-5, II-16 |
| In-Kind Contributions..... | IV-1, IV-4, IV-8, IV-14, VI-9 |
| Institutions of Higher Education (IHE)..... | I-15, I-27, H-1, I-4, J-5 |
| Intangible Property..... | I-12 |
| Intelligent Transportation Systems (ITS)..... | I-12, I-27, III-12, III-13, J-2 |
| Intercity Bus Service..... | I-1, I-18, II-3, II-4, VI-9 |
| Intermediate Cost Objective | I-3, I-12 |
| Internal Controls | I-12, VI-2, VI-4 |

J

| | |
|------------------------------|---|
| Joint Development | I-13, I-27, III-11, IV-15, IV-21, IV-24, IV-27, VI-7, VI-9, VI-18 |
| Joint Development (JD) | I-13, I-27, IV-15, IV-24, VI-9 |

L

| | |
|---|--|
| Labor Protections..... | II-30 |
| Large Urbanized Area..... | I-13 |
| Letter of No Prejudice (LONP)..... | I-17, I-27, III-18, III-19, VI-12, VI-14 |
| Limited English Proficient/Proficiency (LEP)..... | I-27, II-13, V-3, J-1 |

| | |
|---|--|
| Local Government .. | I-5, I-6, I-7, I-13, I-14, I-15, I-17, II-2, II-3, II-5, II-15, III-28, IV-26, IV-27, IV-28, IV-29, VI-6, VI-8, VI-12, VI-15, VI-16, VI-17, VI-18, H-1, H-2, H-3, H-4, I-2, I-4, I-5 |
| Local Governmental Authority | I-13, II-15, IV-26 |
| Local-Wide Cost Allocation Plans (LWCAP)..... | I-27, VI-16 |
| Low or No Emission Vehicle..... | I-13, <u>I-24</u> |

M

| | |
|--|---|
| Maintenance Area | II-22, II-23 |
| Major Capital Project..... | I-13, III-6, III-9, III-10, III-30, IV-13, IV-14, IV-18, V-5, D-1 |
| Major Program | I-13 |
| MAP-21..... | I-1, I-27, II-5, J-3 |
| Master Agreement I-14, II-1, II-7, II-9, II-11, II-16, II-21, II-30, III-15, III-17, IV-1, IV-4, VI-11, VI-18, J-2 | |
| Metropolitan Planning (Section 5303)..... | I-14, I-27, II-2, II-22, III-2, J-2 |
| Metropolitan Planning Area (MPA) | I-14, I-27, III-3 |
| Metropolitan Planning Organization (MPO) | I-14, I-23, I-27, II-22, II-30, III-2, III-3, III-4, B-2 |
| Metropolitan Transportation Plan (MTP)..... | I-14, I-23, I-27, III-2, III-3, III-4 |
| Milestone Progress Report (MPR). I-27, II-9, III-2, III-16, III-20, III-21, III-22, III-23, III-24, III-25, III-26, III-37, III-38 | |
| Milestones | III-22, III-24, III-35, B-4, B-12 |
| Minimum Useful Life . I-24, III-37, IV-20, IV-34, IV-35, IV-36, IV-37, IV-41, IV-46, IV-47, IV-48, IV-50, B-4, F-1, F-3, G-3, G-4 | |
| Mobility Management..... | I-11, I-14, III-7 |
| Modified Total Direct Cost (MTDC)..... | I-14, I-27, VI-16, I-1 |

N

| | |
|--|--|
| National Ambient Air Quality Standards..... | II-22 |
| National Environmental Policy Act (NEPA)... | I-14, I-27, II-28, III-5, III-18, III-19, III-32, III-33, III-35, IV-5, IV-6, IV-15, VI-9, B-1, B-12, C-3, C-4, C-5, J-3 |
| National Historic Preservation Act (NHPA)..... | II-28, III-5, J-4 |
| National Public Transportation Safety Plan (NSP)..... | II-32 |
| National Transit Database (NTD)..... | I-15, I-23, I-27, III-28, III-29, III-30, IV-3, IV-18, J-3 |
| Net Present Value | I-15 |
| Net Proceeds | I-15, I-20, IV-15, IV-20, IV-26 |
| Net Project Cost | I-15, II-4, VI-6, VI-7, VI-8, VI-19, G-4, G-5 |
| New Bus Model | I-15, II-17 |
| Nonattainment Area | II-22 |
| Non-Federal | G-2 |
| Non-Federal Entity..... | I-15 |
| Non-Federal Funds..... | I-8, II-15, II-32, III-14, VI-10, G-2 |
| Non-Federal Sharev, I-5, I-8, I-15, I-18, III-14, III-36, IV-1, IV-4, IV-6, IV-14, IV-24, IV-50, VI-5, VI-6, VI-7, VI-8, VI-10, VI-19, B-12, G-2 | |
| Non-Federal Share or Non-Federal Funds..... | I-15 |
| Nonprofit Organization..... | I-5, I-6, I-15, II-3, II-15, II-31, IV-10, IV-27, IV-28, IV-29, VI-18, I-1 |

| | |
|---|-------|
| Non-profit Organization..... | IV-33 |
| Non-profit Organization..... | IV-33 |
| Non-profit Organization..... | VI-11 |
| Non-profit Organization..... | J-3 |
| Non-profit Organization..... | J-3 |
| Non-profit Organization..... | J-5 |
| Notice of Funding Opportunity (NOFO) I-15, I-17, I-27, II-2, III-1, III-14, III-16, III-18, IV-1, C-2, C-4, C-5 | |

O

| | |
|---|---|
| Obligation | I-16, I-24, II-31, III-41, IV-26, IV-27, IV-28, IV-32, IV-50, VI-14, VI-19, B-2 |
| Office of Management and Budget (OMB) i, I-2, I-3, I-10, I-15, I-27, II-1, II-7, II-17, II-19, II-23, III-15, III-17, III-21, III-26, III-32, III-42, VI-1, VI-5, VI-11, VI-12, VI-13, VI-20, B-3, J-2, J-3 | |
| Office of Management and Budget (OMB)..... | i, I-2, I-3, I-16, J-3 |
| OMB Circular | i, I-2, I-15, VI-11, J-2, J-3 |
| OMB Circular, | VI-11, J-3 |
| Operating Costs..... | I-16, VI-6, VI-8, VI-9, VI-13 |
| Operating Expenses | I-16, II-3, II-4, III-29, IV-23, IV-34, IV-42, VI-9, VI-10, VI-13, B-9 |
| Other Federal Requirements | II-21, III-39, IV-1, B-10 |
| Other Reviews..... | II-8, II-9, V-5 |
| Overhaul..... | I-16, I-19, III-7, IV-36, IV-38, IV-40 |
| Over-the-Road Buses (OTRB)..... | IV-35 |

P

| | |
|---|--|
| Paratransit | I-23, II-3, II-12, III-31, V-4, B-6 |
| Participant Support Costs..... | I-14, I-16 |
| Passenger Ferry | I-1, I-18, II-2 |
| Pass-through Entity I-3, I-5, I-6, I-7, I-8, I-10, I-11, I-13, I-16, I-18, I-21, I-24, II-7, III-37, III-40, III-41, III-42, IV-1, IV-31, VI-18, H-4, I-4 | |
| Period of Performance . I-14, I-16, I-17, I-22, III-2, III-17, III-20, III-34, III-36, III-37, III-38, III-39, III-41, III-42, IV-27, VI-16, VI-18, VI-19, B-3, B-10, C-2, C-5, I-6 | |
| Personal Identification Number (PIN) | I-27, III-16, A-1 |
| <u>Personal Property</u> I-8, I-9, I-16, I-17, I-18, I-19, I-22, I-24, II-7, IV-2, IV-10, IV-19, IV-49, VI-4, VI-13, VI-18 | |
| Policy Guidance Concerning Recipients' Responsibilities to Limited English Proficient (LEP) | |
| Persons | J-4 |
| Policy on Lands, Wildlife, and Waterfowl Refuges, and Historic Sites..... | J-3 |
| Pre-award and Post-delivery Reviews | II-18 |
| Pre-award Authority..... | I-16, I-17, III-17, III-18, III-19, VI-12, VI-14, B-10, B-11 |
| Pre-award Costs | I-17, III-18, C-4 |
| Preventive Maintenance..... | I-11, I-16, I-17, III-7, IV-37, IV-45, B-1 |
| Previously Owned Vehicles..... | I-17, IV-38 |
| Private Operators | II-22 |

| | |
|--|--|
| Procurement | I-3, I-10, I-27, II-1, II-9, II-11, II-15, II-16, II-17, II-18, II-20, II-21, II-23, III-13, III-15, III-18, IV-31, IV-38, IV-42, IV-43, IV-45, V-1, V-2 |
| Procurement System Review (PSR) | I-27, V-2 |
| Program Fraud Civil Remedies Act..... | J-3 |
| Program Income..... | I-17, III-23, VI-6, VI-7, VI-11, VI-18, VI-19 |
| Program Management Plan (PMP)..... | I-27, III-6, IV-18, V-5, V-6, D-1 |
| Program of Projects (POP)..... | I-17, I-27, II-9, III-4, III-38, V-2, VI-10, B-4 |
| Project Budget..... | I-18, III-30, IV-14, B-1, B-4, B-5, B-7, B-9, C-6 |
| Project Management Oversight (PMO) | I-13, I-27, II-24, III-6, IV-13, IV-14, V-5, V-6, J-3 |
| Project Management Plan (PMP)..... | I-27, III-6, IV-18, V-5, V-6, D-1 |
| Project Property I-9, I-10, I-12, I-18, I-20, II-7, IV-12, IV-22, IV-24, IV-25, IV-29, IV-30, IV-50, F-1 | |
| Project Sponsor | I-18, II-19, II-22, II-28, II-29, IV-16, V-5, V-6, VI-19, D-1 |
| Property. I-3, I-4, I-5, I-7, I-9, I-10, I-11, I-12, I-15, I-16, I-18, I-19, I-21, I-22, I-23, I-24, II-7, II-15, II-28, III-9, III-18, III-25, III-30, III-36, III-38, III-39, IV-1, IV-2, IV-3, IV-4, IV-5, IV-6, IV-7, IV-8, IV-9, IV-10, IV-12, IV-13, IV-14, IV-15, IV-16, IV-17, IV-18, IV-19, IV-20, IV-21, IV-22, IV-24, IV-25, IV-26, IV-27, IV-28, IV-29, IV-30, IV-31, IV-32, IV-33, IV-34, IV-35, IV-42, IV-44, IV-45, IV-46, IV-47, IV-48, IV-49, IV-50, VI-1, VI-3, VI-4, VI-7, VI-9, VI-10, VI-14, VI-18, B-4, D-2, D-3, D-5, E-1, E-2, E-3, E-4, E-5, E-6, G-1, G-2, G-3 | |
| Pub. L. 117-58..... | i, I-1, II-17 |
| Pub. L. 117-582..... | I-1 |
| Public Transportation. I-1, I-4, I-8, I-9, I-13, I-14, I-15, I-16, I-18, I-19, I-22, I-23, I-27, II-2, II-3, II-4, II-5, II-9, II-12, II-14, II-21, II-23, II-27, II-30, II-31, II-32, III-3, III-4, III-10, III-28, III-29, III-37, IV-3, IV-4, IV-21, IV-23, IV-25, IV-30, IV-33, IV-34, IV-39, IV-46, IV-48, IV-50, V-4, VI-5, VI-6, VI-8, VI-9, VI-10, VI-19, B-2 | |
| Public Transportation Agency Safety Plan (PTASP) | I-19, I-27, II-32, B-12 |
| Public Transportation Safety Certification Training Program..... | II-32 |
| Public Transportation Safety Certification Training Program (PTSCTP)..... | II-32 |

Q

| | |
|--|-------------------|
| Qualified Human Service Organization (QHSEO) | I-18, I-27, II-22 |
| Questioned Cost..... | I-4, I-19 |

R

| | |
|---|--|
| Rail Fleet Management Plan..... | I-19, IV-40 |
| Real Estate Acquisition Management Plan (RAMP)..... | I-28, IV-13, IV-14, IV-18, D-1, D-2 |
| Real Property I-5, I-8, I-10, I-16, I-18, I-19, I-20, I-23, I-24, I-28, II-1, II-28, III-15, III-25, III-37, III-39, III-41, IV-1, IV-2, IV-4, IV-5, IV-7, IV-8, IV-9, IV-10, IV-12, IV-13, IV-14, IV-18, IV-19, IV-20, IV-21, IV-22, IV-23, IV-25, IV-26, IV-27, IV-28, IV-31, IV-33, IV-48, VI-3, VI-7, VI-9, VI-10, VI-13, VI-18, D-1, E-2, J-4, J-5 | |
| Real Property Status Report..... | I-19, IV-19 |
| Realty/Personalty Report | I-19, IV-5 |
| Rebuild..... | I-16, I-19, IV-37, IV-38, IV-39, IV-40 |

| | |
|--|---|
| Recipient .. vi, I-2, I-3, I-4, I-6, I-7, I-8, I-9, I-10, I-11, I-12, I-13, I-14, I-15, I-16, I-17, I-18, I-19, I-20, I-21, I-22, I-23, I-24, II-3, II-4, II-6, II-7, II-8, II-9, II-10, II-11, II-13, II-14, II-15, II-16, II-17, II-18, II-20, II-21, II-22, II-24, II-25, II-26, II-27, II-31, II-32, III-2, III-4, III-5, III-6, III-7, III-8, III-9, III-10, III-11, III-13, III-14, III-15, III-16, III-17, III-18, III-19, III-20, III-21, III-22, III-23, III-24, III-25, III-26, III-27, III-28, III-30, III-31, III-32, III-33, III-34, III-35, III-36, III-37, III-38, III-39, III-40, III-41, III-42, III-43, III-44, IV-1, IV-2, IV-3, IV-4, IV-5, IV-6, IV-7, IV-8, IV-9, IV-10, IV-12, IV-13, IV-14, IV-15, IV-16, IV-17, IV-18, IV-19, IV-20, IV-21, IV-22, IV-23, IV-24, IV-25, IV-26, IV-27, IV-29, IV-30, IV-31, IV-32, IV-33, IV-34, IV-36, IV-37, IV-38, IV-39, IV-40, IV-41, IV-42, IV-43, IV-44, IV-45, IV-46, IV-47, IV-48, IV-49, IV-50, IV-51, V-1, V-2, V-3, V-4, V-5, V-6, VI-1, VI-2, VI-3, VI-4, VI-5, VI-6, VI-7, VI-8, VI-9, VI-10, VI-12, VI-13, VI-14, VI-15, VI-16, VI-18, VI-19, VI-20, VI-21, VI-22, VI-23, VI-24, VI-25, VI-26, A-1, B-1, B-2, B-3, B-4, B-6, B-7, B-10, B-12, B-13, C-1, C-3, C-4, C-5, D-1, D-4, D-5, E-1, E-2, E-3, E-4, E-5, G-1, G-2, G-3, G-4, H-1, H-3, H-4, I-1, I-2, I-5, I-6 | |
| Record of Decision (ROD) | I-28, II-28, III-5, III-18, IV-16 |
| Regional Offices | I-1, II-23, III-5, IV-50, B-1, C-1 |
| Regulations ... i, ii, I-2, I-3, I-8, I-12, I-14, I-17, I-23, II-6, II-9, II-10, II-12, II-13, II-14, II-15, II-16, II-17, II-21, II-23, II-24, II-25, II-27, II-28, II-29, II-32, III-3, III-4, III-5, III-6, III-14, III-15, III-20, IV-1, IV-2, IV-3, IV-4, IV-5, IV-11, IV-12, IV-25, IV-37, IV-38, IV-43, IV-45, V-2, V-3, V-4, V-5, V-6, VI-1, VI-2, VI-3, VI-4, VI-5, VI-10, VI-11, VI-12, VI-13, VI-18, VI-19, VI-20, VI-21, VI-22, VI-24, J-1, J-3, J-4, J-5 | |
| Rehabilitate | II-5 |
| Rehabilitation Act of 1973 | II-12, J-4 |
| Remanufactured Vehicles | I-17, I-20, III-27, IV-38 |
| Removable Power Source | I-20 |
| Rent Schedules | I-20, IV-11 |
| Reporting Requirementsi, II-7, II-15, III-11, III-19, III-20, III-21, III-24, III-25, III-26, III-28, III-29, III-30, IV-3, IV-19, IV-43, V-4, VI-4, B-2, D-4, D-5 | |
| Required Elements | II-10, III-27 |
| Requirements i, ii, I-1, I-2, I-7, I-8, I-10, I-14, I-17, I-18, I-19, I-24, II-1, II-3, II-4, II-5, II-6, II-7, II-8, II-10, II-11, II-12, II-13, II-14, II-15, II-16, II-17, II-18, II-19, II-20, II-21, II-22, II-23, II-24, II-25, II-26, II-27, II-28, II-29, II-30, II-31, II-32, II-33, III-1, III-2, III-3, III-4, III-5, III-6, III-9, III-11, III-13, III-14, III-15, III-16, III-17, III-18, III-19, III-20, III-22, III-27, III-28, III-29, III-30, III-31, III-32, III-34, III-35, III-36, III-37, III-38, III-39, III-40, III-41, III-42, III-44, IV-1, IV-2, IV-4, IV-5, IV-6, IV-7, IV-8, IV-9, IV-11, IV-12, IV-13, IV-14, IV-15, IV-19, IV-21, IV-22, IV-25, IV-26, IV-30, IV-31, IV-32, IV-35, IV-37, IV-38, IV-40, IV-41, IV-43, IV-44, IV-45, IV-46, IV-50, IV-51, V-1, V-2, V-3, V-4, V-5, V-6, VI-1, VI-2, VI-3, VI-8, VI-9, VI-10, VI-12, VI-13, VI-15, VI-16, VI-17, VI-18, VI-19, VI-20, VI-21, VI-22, VI-23, A-1, B-1, B-2, B-4, B-5, B-10, B-11, C-1, C-2, C-3, C-4, C-5, D-1, D-2, D-3, D-4, D-5, E-1, E-2, E-3, E-5, F-1, G-1, G-3, G-4, G-5, H-1, H-2, H-3, H-4, H-5, I-1, I-2, I-3, I-4, I-6, J-2, J-3 | |
| Rolling Stock .. vi, I-3, I-4, I-5, I-6, I-7, I-9, I-13, I-19, I-20, I-21, I-24, II-5, II-16, II-17, II-18, II-21, III-17, III-20, III-25, III-36, III-37, IV-1, IV-3, IV-24, IV-30, IV-31, IV-33, IV-34, IV-35, IV-37, IV-38, IV-41, IV-42, IV-43, IV-45, IV-47, IV-48, IV-49, IV-50, IV-51, V-4, VI-8, B-4, B-5, B-6, B-7, B-8, B-11, C-3, F-1, F-2, F-3 | |
| Rolling Stock Repowering | I-20, IV-38 |
| Rolling Stock Status Report | vi, I-20, IV-45, IV-47, IV-51, B-4, F-1, F-2, F-3 |

| | |
|--|---|
| Rural Area..... | I-18, I-20, II-1, II-3, II-15, II-31, III-29, J-2 |
| Rural Transportation Assistance Program (RTAP) | I-28, II-3 |

S

| | |
|--|--|
| Safe, Accountable, Flexible, Efficient Transportation Equity Act | |
| A Legacy for Users (SAFETEA-LU) | I-2, I-28, J-4 |
| Sales Proceeds..... | I-20, IV-46, IV-48, IV-50, VI-7, G-5 |
| Satisfactory Continuing Control | I-12, I-20, II-7, IV-24, VI-9 |
| Scope Code ... I-3, I-20, III-17, III-20, III-33, III-34, III-35, III-38, B-4, B-5, B-6, B-7, B-11, C-2, C-4, C-5, C-6 | |
| Scope of Work (SOW) ..I-3, I-6, I-8, I-16, I-17, I-20, I-21, I-28, II-4, II-24, III-6, III-9, III-11, III-14, III-17, III-19, III-20, III-22, III-31, III-32, III-33, III-34, III-35, III-36, III-37, IV-1, IV-5, IV-6, IV-14, IV-16, IV-17, V-5, V-6, B-1, B-10, C-1, C-2, C-3, D-5, E-1, E-3, E-4, E-5 | |
| Secretary I-13, I-15, I-20, I-21, I-24, II-2, II-4, II-5, II-14, II-23, II-25, II-30, III-3, V-1, V-4, V-5 | |
| Section 5307 Program II-2, III-28, III-29, III-30, III-31, V-4, VI-6, VI-7, VI-9, VI-12, VI-13, B-5 | |
| Section 5309 Program..... | I-14, II-2, II-5, III-26, III-36 |
| Section 5310 Program..... | II-3, III-29 |
| Section 5311..... | II-3, II-4, II-15, III-28, III-29, VI-9 |
| Section 5311 Program..... | II-3, II-4, II-15, III-28, III-29, VI-9 |
| Section 5316..... | II-1, III-26 |
| Section 5317..... | II-1, III-26 |
| Section 5337..... | II-5, VI-12, VI-13 |
| Senior | I-21, III-26, IV-33 |
| Shared Use | IV-21, IV-24, IV-33 |
| Sightseeing Service..... | I-1, I-18 |
| Single Audit Act Amendments | II-24 |
| Standard Operating Procedure (SOP)..... | I-28, II-28, IV-16 |
| State Department of Transportation (DOT)..... | III-3, III-4, III-26, III-29, VI-8 |
| State Management Review (SMR) | I-28, IV-19, IV-33, V-2 |
| State Management Reviews | IV-19 |
| State of Good Repair (SGR) | I-21, II-5, III-29, IV-3, IV-49 |
| State Planning Work Program (SPWP) | I-28, II-29, B-1, B-3, B-11 |
| State Safety Oversight (SSO)..... | I-28, II-5, II-32, III-26, V-4, V-5, J-3 |
| Statewide Cost Allocation Plan (SWCAP)..... | I-28, VI-16 |
| Statewide Planning (Section 5304)..... | II-2, III-2 |
| Statewide Planning Work Program (SPWP)..... | I-28, II-29, B-1, B-3, B-11 |
| Statewide Transportation Improvement Program (STIP) ... I-28, II-29, II-30, III-2, III-3, III-4, III-32, III-33, III-34, VI-6, B-1, B-2, B-3, B-11, C-3, C-4, C-5, C-6 | |
| Straight Line Depreciation..... | I-21, IV-47 |
| Subaward..... | I-14, I-16, I-17, I-21, I-22, III-26, III-37, IV-1, VI-4 |
| Subrecipient ...v, vi, I-3, I-4, I-7, I-8, I-9, I-11, I-12, I-14, I-15, I-16, I-17, I-20, I-21, I-22, I-23, I-24, II-6, II-10, II-11, II-12, II-13, II-14, II-15, II-26, II-31, III-28, III-37, III-40, III-41, III-42, IV-1, IV-31, V-4, VI-1, VI-4, VI-5, VI-13, VI-18, VI-20, VI-21, B-3, B-7, B-8, B-11, H-4, I-1, I-4 | |

| | |
|--|---|
| Supplies..... | I-10, I-14, I-17, I-18, I-22, II-1, II-19, III-39, IV-1, IV-2, IV-30, IV-31, IV-32, IV-46, IV-49, IV-50, VI-18, F-1 |
| Supply | I-9, I-22, II-26 |
| Surface Transportation Program (STP) | I-1, I-28 |
| System for Award Management (SAM)..... | I-22, I-23, I-28, II-9, II-23, II-24, III-13, III-15, III-42, B-2, B-11 |

T

| | |
|---|---|
| Temporary Assistance for Needy Families (TANF)..... | VI-7 |
| Temporary Assistance for Needy Families (TANF)..... | VI-7 |
| Temporary Assistance for Needy Families (TANF)..... | VI-7 |
| Termination..... | I-22, II-11, III-40, III-41, III-42, IV-19 |
| The Moving Ahead for Progress in the 21st Century Act (MAP-21)..... | I-1, I-27, II-5, J-3 |
| Third-Party Contract | I-7, I-9, I-16, I-21, I-22, II-7, II-10, II-11, II-13, II-14, II-16, II-24, II-32, III-24, III-25, III-27, III-40, III-42, III-43, IV-32, VI-22 |
| Third-Party Contractor.. | I-9, I-21, I-22, II-10, II-11, II-13, II-14, II-24, II-32, III-40, III-42, VI-22 |
| Third-Party In-Kind Contributions | I-9, I-22, IV-14 |
| TIP and STIP..... | III-18, B-3 |
| Title IX of the Education Amendments of 1972..... | II-14 |
| Title VI of the Civil Rights Act of 1964 .. | II-13, II-14, II-15, II-33, III-27, V-3, B-2, B-11, J-2, J-4 |
| Transfer of Funds | II-7, VI-5, C-3 |
| Transit Asset Management (TAM)..... | I-22, I-28, II-5, IV-3, IV-4, IV-18, IV-35, IV-42, IV-45, J-3 |
| Transit Asset Management (TAM) Plan..... | II-5, IV-3, IV-42 |
| Transit Award Management | I-9, I-22, I-28, II-6 |
| Transit Award Management System (TrAMS).I-9, I-22, I-23, I-28, II-6, II-8, II-9, II-11, II-21, II-30, III-1, III-2, III-7, III-13, III-16, III-17, III-18, III-20, III-21, III-23, III-26, III-27, III-31, III-32, III-33, III-34, III-35, III-36, III-37, III-38, IV-43, VI-8, VI-9, VI-22, A-1, B-1, B-2, B-3, B-4, B-5, B-6, B-9, B-10, B-12, C-1, C-2, C-3, C-6 | |
| Transit Enhancements | I-22 |
| Transit Vehicle Manufacturer (TVM) | I-23, I-28, II-10, II-11, II-20, III-27, III-28, IV-38 |
| Transit-Oriented Development (TOD) | I-28, II-5, IV-27, IV-28, IV-29, IV-30 |
| Transportation Alternatives (TA) ... | I-2, II-1, II-9, II-16, II-17, II-20, II-21, II-29, III-6, III-14, III-16, III-27, III-28, IV-23, C-1, H-4, J-2 |
| Transportation Development Credit (TDC)..... | I-28, VI-8 |
| Transportation Electronic Award and Management (TEAM) I-22, I-23, I-28, III-32, III-34, III-36 | |
| Transportation Electronic Award and Management (TEAM) System | I-23 |
| Transportation Equity Act for the 21st Century (TEA–21) | I-2 |
| Transportation Improvement Program (TIP) . | I-14, I-23, I-28, II-22, II-29, II-30, III-2, III-3, III-4, III-14, III-18, III-32, III-33, III-34, B-1, B-2, B-3, B-11, C-3, C-6 |
| Transportation Management Area (TMA)..... | I-28, III-3 |
| Transportation Planning Process..... | II-31, III-2, III-3, III-4, B-4 |
| Tribal Transit Program (TTP)..... | II-3, III-29, B-5 |
| Triennial Review (TR)..... | I-28, IV-40, IV-41, V-1 |

U

U.S Department of Housing and Urban Development (HUD).....I-27, II-5, VI-10, VI-17, H-2, I-2
U.S Department of Labor (DOL)..... I-25, II-9, II-26, II-30, III-17, III-34, B-10, C-1, C-5, C-6
U.S Department of the Interior (DOI)..... I-11, I-25, VI-17
U.S Department of Transportation (DOT)i, I-1, I-2, I-25, I-29, II-1, II-9, II-11, II-12, II-13, II-14,
II-20, II-23, II-24, II-25, II-29, II-32, II-33, III-4, III-13, III-15, III-28, III-30, IV-1, IV-38, V-
3, V-4, V-5, VI-8, VI-11, VI-15, VI-17, VI-25, J-1, J-4
U.S Department of Treasury regulations, J-4
U.S. Coast Guard (USCG).....I-28, II-25
U.S. Department of Agriculture..... VI-7
U.S. Department of Defense (DOD)..... I-25, VI-17, I-4
U.S. Department of Health and Human Services (HHS).I-25, II-5, II-14, VI-15, VI-16, VI-17, H-
3, H-5, I-4, I-7, J-3
U.S. Department of Housing and Urban Development (HUD) I-27, VI-17
U.S. Department of the TreasuryI-15, II-7, III-8, VI-5, VI-22, VI-23, VI-24, VI-25, J-4
U.S. General Services Administration (GSA)I-27, II-23, II-24
Uneconomic Remnant..... I-23, IV-6, IV-9, IV-21
Unified Planning Work Program (UPWP)I-28, II-29, B-1, B-3, B-11
Uniform Act / Uniform Relocation Act (URA).....I-23, I-28, IV-4, IV-5, IV-7, IV-8, IV-9, IV-10,
IV-11, IV-12, IV-13, IV-15, VI-9, D-1, E-2, J-4, J-5
Uniform Administrative Guidance i
Uniform Administrative Requirements for Grants and Cooperative Agreements to State and
Local Governments..... J-5
Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal
Awards i, I-2, II-1, II-7, VI-11, J-3, J-5
Uniform Standards of Professional Appraisal Practice (USPAP) I-29, IV-6, E-2
Uniform System of Accounts (USOA).....I-23, I-29, III-28
Unique Entity Identifier (UEI)..... I-23, I-28, IV-20
Unliquidated Financial ObligationsI-23
Unobligated Balance..... I-23, VI-4
Urbanized Area (UZA) I-4, I-13, I-21, I-24, I-29, II-1, II-2, II-18, II-25, III-4, III-5, III-28, III-29,
V-1, VI-6, B-11, B-12, J-2
Urbanized Area Formula Assistance Program (Section 5307) II-2, III-28, III-29, III-30, III-31, V-
4, VI-6, VI-7, VI-9, VI-12, VI-13, B-5
Urbanized Areas Formula Grant Programs Guidance II-1, J-2
Useful Life I-5, I-8, I-9, I-16, I-19, I-21, I-22, I-24, II-33, III-37, IV-18, IV-31, IV-32, IV-34, IV-
35, IV-36, IV-37, IV-38, IV-41, IV-42, IV-45, IV-46, IV-47, IV-48, IV-49, IV-51, VI-13, F-1,
F-3, G-1, G-2, G-3, G-4

V

Value Engineering (VE) I-24, I-29, III-9, III-10, III-30
Vehicle Identification Number (VIN).....I-29, IV-44, F-1
Vehicle Revenue Hour (VRH)..... III-30
Vehicle Revenue Miles (VRM) III-30

Vehicle Use..... I-13, IV-33
Voluntary Committed Cost Sharing.....I-24

Z

Zero Emission Vehicle.....I-24, IV-41, IV-43
