

Circular 5010 Award Management Requirements

Session 3: Post-Award Administration, FTA
Oversight, and Award Closeout

FTA Office of Program Management



U.S. Department of Transportation
Federal Transit Administration



Disclaimer

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

Video Placeholder

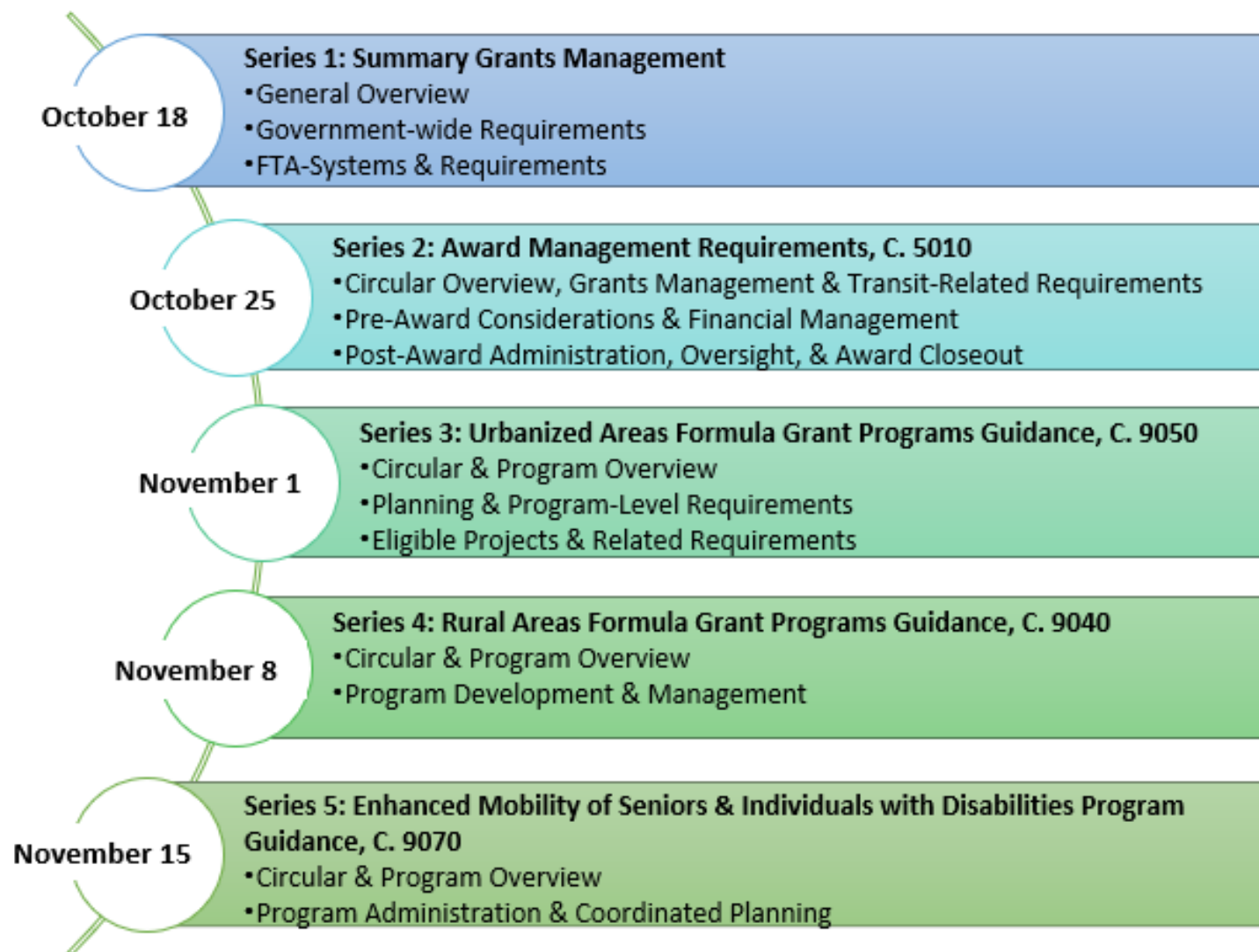


U.S. Department of Transportation
Federal Transit Administration



Circular Rollout Training Schedule

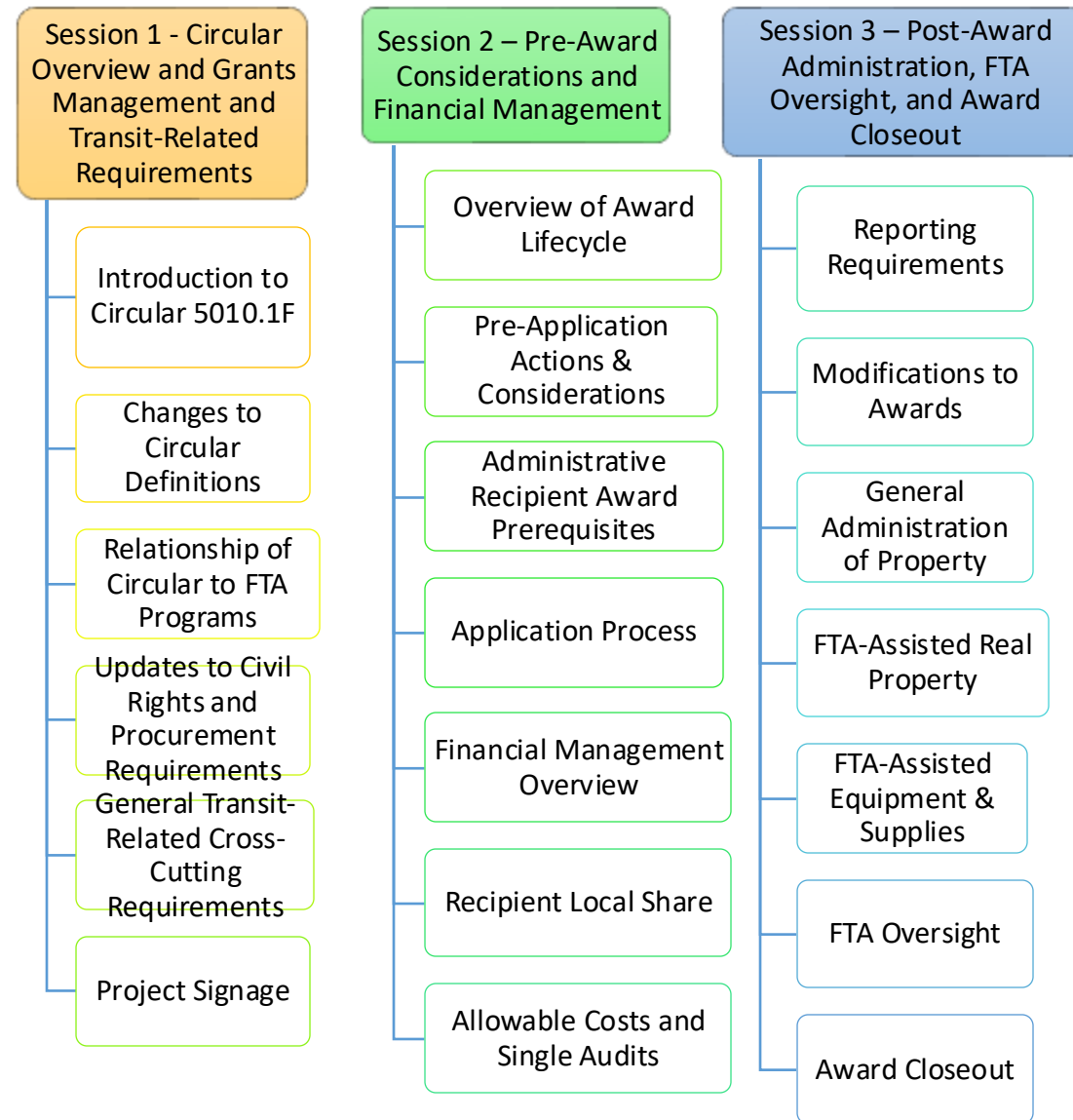
Each Friday from October 18 through November 15, 2024, FTA will post a series of prerecorded videos addressing summary grants management information and highlight the requirements outlined in each of the revised circulars - 5010, 9050, 9040, and 9070.



Grants Management Requirements, Circular 5010 Training Series?

Circular 5010.1F training builds upon the foundation established in the Summary of Grants Management Series and relays significant information surrounding award management at FTA.

This is Session 3 that addresses requirements for applicants or recipients and their financial systems prior to FTA providing financial assistance funds.



The “Route” Ahead

- Welcoming Remarks
- Reporting Requirements
- Modifications to Awards
- General Administration of FTA-Assisted Property
- FTA-Assisted Real Property
- FTA-Assisted Equipment (Including Rolling Stock) and Supplies
- FTA Oversight
- Award Closeout



Reporting Requirements— Chapter III

General Reporting Requirements

FTA post-award monitoring considers if the award is progressing as outlined in the award's scope of work, aligned with the budget, and consistent with program requirements. FTA's reporting requirements are award-specific based on risk, including the recipient's:

- Size
- Past performance
- Experience with the award's scope of work
- Type or amount of Federal assistance.

The circular updated requirements and information regarding planning reports for multiple activities, projects, and awards.

However, the most relevant reports remain the Federal Financial Report (FFR) and Milestone Progress Report (MPR) which creates a reporting task for each report, typically quarterly or annually.

Reports of Significant Events, that are unforeseen events that impact the schedule, cost, capacity, usefulness, or purpose of the award must be reported to FTA immediately and then reflected in the next MPR.

Other required reports are outlined in the award and program circulars based on specific award components or recipient acquisitions, such as the Real Property Report, Transit Asset Management (TAM) Reports, and National Transit Database (NTD) Reporting.

FFR Reporting and Requirements

The purpose of the FFR is to provide a current, complete, and accurate financial picture of the award that is accurate to the last approved award budget and the reporting period.

- A recipient must submit an FFR for each active award based on the reporting schedule established in TrAMS.
- The FFR accompanies the MPR and is used to monitor the Federal assistance awarded.
- Financial reports must be based on the required, supporting documentation maintained in the recipient's official financial management system.
- Updates include an expansion of the guidance on the "Federal Financial Report (FFR)" subsection reflecting the reporting of approved Indirect Costs to include clarification regarding key reporting requirements, such as:
 - Indirect rate type
 - Approved rate
 - Total monetary base amount
 - Amount charged
 - Federal share



MPR Reporting and Requirements

The purpose of the MPR is to provide information regarding the award activities. It is the primary written communication between the recipient and FTA regarding award progress.

- A recipient must submit an MPR for each active award based on the reporting schedule established in TrAMS, typically quarterly or annually.
- The MPR accompanies the FFR and is used to monitor the Federal assistance awarded.
- Key Components include:
 - Milestone status updates
 - Narrative of activity status
 - Award budget or schedule changes
 - Risks – and their impacts and delays
 - Outstanding claims
 - Executed change orders
 - List of litigation
 - Real property acquisition
 - Rolling stock ALI milestones.

MPR Tips

- Identify problem areas and provide a narrative on how the problem(s) will be resolved.
- Discussion of expected impacts and the efforts to recover from any delays.
- Provide an analysis of each significant project cost variance.
- All rolling stock ALIs must include a milestone for Contract Award.

Other Reports

Subaward and Executive Compensation Reporting – Under the Federal Funding Accountability and Transparency Act (FFATA) for new federal assistance awards greater than or equal to \$30,000 recipients are required to report this compensation in the FFATA Subaward Reporting System or FRS.

Civil Rights Reports – These are a prerequisite for Federal assistance.

Title VI Reports – On a triennial basis, recipients must submit a report of compliance with discrimination prohibitions based on race, color, or national origin in programs and activities.

Disadvantaged Business Enterprise (DBE) Program - Recipients meeting the FTA assisted contracting threshold at 49 CFR 26.21(a)(2) must report on DBE program requirements.

Equal Employment Opportunity (EEO) - Recipients covered under the most recent edition of FTA Circular 4704.1, which addresses EEO workplace requirements, must submit reports on their compliance every four years .

National Transit Database (NTD) Reporting – A recipient or subrecipient of FTA federal assistance is required to report to the NTD a complete report of all transit operations, regardless of whether those operations are or are not financed in whole or in part by FTA.

Quarterly Reports for Major Capital Construction Projects – Recipients must submit a quarterly project budget and project schedule.

Reporting Resources

Topic	Resource
TrAMS Page on FTA's Website	<ul style="list-style-type: none">• https://www.transit.dot.gov/funding/grantee-resources/teamtrams/transit-award-management-system-trams
TrAMS User Guide	<ul style="list-style-type: none">• https://www.transit.dot.gov/sites/fta.dot.gov/files/2024-08/TrAMS-User-Guide-v2.23-Recipient.pdf
TrAMS Guidance & Training	<ul style="list-style-type: none">• https://www.transit.dot.gov/funding/grantee-resources/teamtrams/trams-guidance-training#Closeouts%20MPR/FFR

Modifications to Awards— Chapter III

Modifications to the Award: Post-Award Changes

The recipient is responsible for managing and monitoring 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 a modification is necessary, FTA determines if the changes are acceptable and may suggest a different course of action than what the recipient proposes.
- Appendix C (“Post Award Modification”) was added as a compilation of guidance previously provided across the program circulars and provides clarifications for common post-award changes. It provides enhanced guidance on the requirements for prior approval from FTA and more information on when either a budget revision, administrative amendment, or amendment is appropriate.

Three Types of Award Modifications:

Amendments

Administrative
Amendments

Budget
Revisions

Amendments

Amendments are generally significant changes to awards. All amendments to FTA awards must be submitted electronically through TrAMS.

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.

Amendments require a revised grant or cooperative agreement and budget and, therefore, must meet the same application requirements as a new award.

Since there are significant changes to the award, there may need to be additional milestones or schedule adjustments to one or more projects.

Recipients may initiate an amendment but should consult with FTA to ensure compliance and how the changes may affect other awards.

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:
 - To change or clarify the terms, conditions, or provisions of the Grant or Cooperative Agreement.
 - To change the fiscal year or type of Federal assistance obligated for the award.
 - To change the period of performance.
 - To de-obligate Federal assistance that is no longer needed to complete the approved project scope of work or purpose, without closing the award.



Budget Revisions

Budget revisions are minor revisions to the award. All budget revisions to FTA awards must be submitted electronically through TrAMS.

Budget revisions may be made as long as there is no change to the purpose or the scope of the award and no change to the type of and/or amount of Federal assistance awarded.

Revisions to an award budget must be consistent with the activities contained in an approved TIP/STIP, NEPA determinations, and related planning and prerequisite requirements.

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.

Budget revisions may be sent to the DOL for informational purposes, but the labor protection arrangements for the original award apply to modifications without further DOL certification.

Appendix C – Post-Award Modifications

Appendix C offers some clarity for common post-award changes, but FTA regional offices should be contacted to ensure compliance with requirements and obtaining any necessary prior approvals.

Sometimes there are administrative requirements, project complexities, or TrAMS structures and guidance that require a specific type of post-award modification.

The ultimate decision to approve post-award modifications lies with FTA.

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
Financial Purpose Code (FPC) Transfers	Yes	Maybe	Maybe	Maybe

Consideration for Post-Award Changes

FTA's prior approval is required when the proposed amendment meets any of the following criteria:

- Changing the Federal share of an existing ALI.
- Additional Federal funds are needed to complete the project.
- The revision results from changes in the scope of work or the objective of the project or program.
- A revision involves specific costs for which prior written approval is required in accordance with applicable OMB cost principles.
- The Federal assistance source is the same and is transferred between ALIs, within each Project or across the Projects with different Federal matching ratios.
- 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.
- 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.
- 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.

Prior Written Approval under 2 CFR 200

FTA's prior approval is required for the following items under the Cost Principles included in 2 CFR 200:

Cost sharing (match)	Program income	Revision of budget and program plans;	Fixed-amount subawards	Compensation / personal services
Compensation / fringe benefits	Equipment and other capital expenditures	Fines, penalties, damages, & other settlements	Fundraising & investment-management costs	Goods or services for personal use
Insurance and indemnification	Organization costs	Pre-award costs	Rearrangement & reconversion costs	Travel costs

Considerations for Post-Award Changes

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, an amendment, or an admin amendment.

Scope

- 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.
- In general, changes in the place of performance 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.

General Administration of FTA- Assisted Property– Chapter IV

Federally Acquired Property Overview

Title to Federally assisted property acquired under an award is vested in the recipient, as a conditional title, subject to the following conditions:

- It must be used for authorized purposes during its useful life.
- The recipient must not encumber the property without prior approval.
- The property must be used and disposed of in accordance with the requirements for equipment, real property, and supplies

Fair Market Value

- 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.

Personal Property vs. Real Property

Personal Property

- Property other than real property; it can be tangible or intangible

Real Property

- Land, including the land itself and any structures, fixtures, and rights associated with it

Federally Acquired Property Overview

General Property Considerations

- The updated circular contains a new section introducing property requirements. This information is not necessarily new, but it pulls requirements from other circulars and other areas of Circular 5010.1
- Specific Topics include:
 - In–Kind Contributions
 - Insurance
 - Flood Insurance
 - Minimum Insurance
 - Insurance Proceeds
 - Flood Risk Management
 - TAM Regulations
- 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 complete the award’s scope of work and meets the general allowability criteria established in the Cost Principles.



Useful Life

Useful life is 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 or service miles.
- The use of an asset beyond its minimum useful life does not extinguish its Federal interest or the obligation to use and dispose of property in compliance with Federal requirements.

Useful Life Updates:

- Clarifies applicability to real property and other capital assets.
- Because useful life depends on depreciation and estimated time in use, expected minimum useful life changes according to the type of asset in question.
- Updated to clarify the relationship between the measurement of property use and federal financial interest in project property.
- The revised definition also distinguishes from the “useful life benchmark” concept utilized by the Transit Asset Management (TAM) System.

Useful Life

<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

Minimum useful life is determined by years of service or accumulation of miles, whichever comes first, by asset type.

- The circular now includes a chart to relay this information.
- 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.

FTA-Assisted Real Property – Chapter IV

Real Property

The **Real Property Status Report** is the report required by FTA to satisfy government-wide requirements for real property acquired with or improved with FTA funds across the totality of the recipient's federal awards.

- The Real Property Status Report replaces the “Real Property Inventory” with updates to reflect the revised requirements of [2 CFR 200.330](#).
- The report reflects real property acquired with or improved with Federal funds at the recipient level and may cross multiple awards and fiscal years.

The **Uniform Act** provides the requirements that govern the acquisition, use, or disposition of real property purchased with Federal assistance.

- On May 3, 2024, the Federal Highway Administration (FHWA) published final revisions to U.S. DOT's implementing rule on the Uniform Act, which provides important protections and assistance for people affected by federally-funded projects government-wide.
- Revisions are incorporated into the updated circular with additional direction provided through FHWA outreach and webinars available on FHWA's dedicated website - https://www.fhwa.dot.gov/real_estate/uniform_act/ .

Reporting on Real Property

- Recipients must maintain adequate records on the status of real property in which the Federal government retains an interest.
- FTA requires that any recipient with FTA-assisted real property submit a Real Property Status Report to FTA every three years.
- These reports 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.



Transferring Assets for Transit Oriented Development & Affordable Housing

The circular includes a new subsection, “Transfers for Affordable Housing”, that incorporates a new disposition option added in 49 U.S.C. 5334(h)(1)(B) allowing a recipient to dispose of a real property asset with no repayment to the Federal Government if it will be used for a transit-oriented development. A recipient may transfer assets to local governmental authorities, nonprofit organizations, or other third-party entities for the use of transit-oriented development that includes affordable housing with no obligation to reimburse FTA for the Federal interest if:

- The asset is a necessary component of a proposed transit-oriented development project.
- The transit-oriented development project will increase transit ridership.
- At least 40 percent of the housing units offered in the transit-oriented development, 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.

Incidental Use

Definition: 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.

Incidental Use Examples

- Temporary use of transit property as a staging area for nearby construction;
- Allowing nearby theaters and restaurants to use transit parking spaces during the transit system's off-hours;
- 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
- 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.

Shared Use

Definition: 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.

Shared Use Examples

- A vehicle maintenance facility that services both transit rolling stock and non-transit vehicles;
- A parking garage that provides parking for transit rolling stock as well as parking for non-transit uses;
- A parking garage that is constructed to provide parking for both transit patrons and the general public for a specific business purpose.

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FTA-Assisted Equipment and Supplies– Chapter IV

Equipment & Supplies

Equipment is tangible personal property having a useful life of more than one year and a value of \$10,000 or more.

- Equipment includes rolling stock, IT systems, and all other such property.
- The per-unit acquisition cost equals or exceeds the lesser of the recipient's capitalization level for financial statement purposes or \$10,000, as defined in 2 CFR 200.1.

Supplies are 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 recipient or subrecipient's threshold, regardless of the length of its useful life.
- Unused supplies are those supplies in new condition and have not been used or opened.

This threshold increased to \$10,000 in the 2024 2 CFR 200 changes and is incorporated into the circular update.

Equipment Updates

- Section 3019 of the FAST Act established an Innovative Procurement Program that established new conditions for the leasing of “rolling stock or related equipment.” Under this provision, 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.
- More clearly defined requirements for equipment records for equipment and rolling stock.
- Clarifications of the requirement surrounding recipient development and implement of maintenance procedures for FTA funded equipment.
- Rolling Stock Status Report Updates:
 - Updates have been made to the list of elements included to better align with requirements listed in the body of Chapter IV.
 - Minor edits to reflect changes made to the subsection “Replacements at the End of the Minimum Useful Life.”

Disposition

Disposition is the settlement of the Federal interest in project property that is no longer needed for the originally authorized purpose. It settles any federal interest and relays FTAs requirements for real property and equipment or supplies with a value of \$10,000 or more.

- As part of the closeout process, the conclusion of the period of performance or the award's scope of work may trigger the recipient to contact FTA to document the property acquired or improved in support of the Award and request disposition instructions.
- Recipients are also required to request disposition instructions for equipment and real property no longer in public transportation use, at any time during the period of performance or when there is a remaining federal interest.

Real Estate Disposition - 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.
- Appraisals developed for disposition purposes are required to appraise the value of the land separate from the value of the improvements.

Real Property Disposition Methods

- Sell and Reimburse FTA
- Offset: Sell the property and apply the net proceeds from the sale to the cost of replacement property under the same program.
- Sell and Use Proceeds for Other Capital Projects Under an Award
- Sell and Keep Proceeds in an Open Award
- Transfer to Local Governmental Authority for Non-Transit Use
- Retain Title with Buyout
- Disposition of Real Property Acquired for Construction
- Transfer for Transit Oriented Development



Disposition of Equipment & 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.

Disposition of Equipment & Supplies - Sales

When FTA approves disposition instructions that include a sale, the following apply:

<p>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.</p>	<p>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.</p>	<p>In either case, recipients may not deduct selling and handling expenses from the reimbursement for the Federal share of sales proceeds.</p>
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Rolling Stock Equipment Disposition: Summary

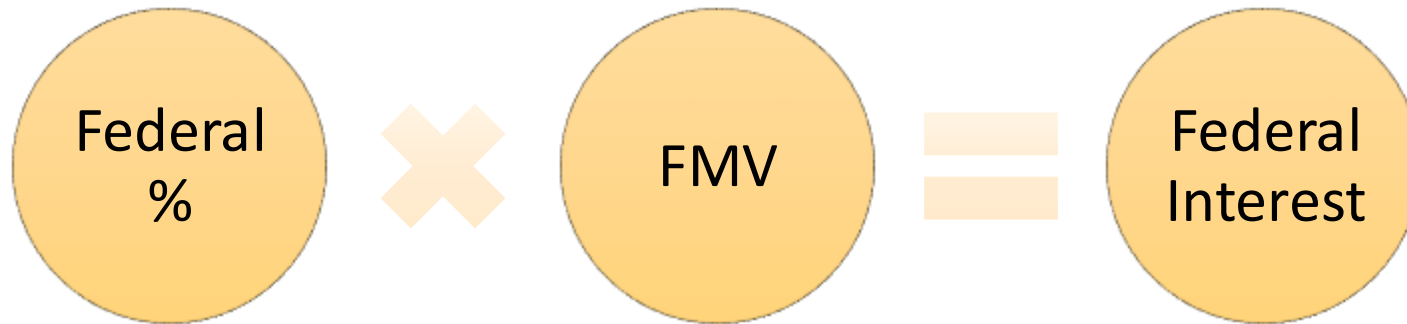
Fair Market Value (before deducting any selling or handling expenses)	\$0-10,000	\$10,001 or more
Amount to Return to FTA through Pay.gov	\$0	Calculated Value of the difference between the (Fair market value - \$5,000) Multiplied by the percentage (%) of the federal share of original purchase

Example:

If the sales price of a bus procured at an 80% federal share is \$12,000, the amount to return to FTA through Pay.Gov is $(\$12,000 - \$5,000) \times 0.8 = \$5,600$. The recipient retains \$6,400.

Early Disposition & Insurance Proceeds

- Federal Interest is the federal stake in an asset. It is calculated based on the federal share in the acquisition and the fair market value.



- If property is prematurely withdrawn from service, FTA must be immediately notified.
- 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.

Appendix G

New appendix added to further explain disposition scenarios.

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.

Scenarios

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

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

Like-kind exchange (before the end of the asset's useful life) with **insurance proceeds less** than the federal interest

Like-kind exchange (before the end of the asset's useful life) with **insurance proceeds greater** than the federal interest

Rolling Stock Overhaul & Vehicle Components

Rolling stock overhauls are an eligible capital expense as preventive maintenance usually done to make sure rolling stock reaches its useful life.

- For rolling stock to be overhauled, it must have accumulated at least 40 percent of its useful life, but the overhaul does not extend its useful life.
- Updates and edits included to better align with requirements in other sections of the chapter.

The addition of a subsection on “**Vehicle Components** (Including Converted Vehicles) at End of Minimum Useful Life” provides clarity by outlining requirements governing the retention and disposition of vehicle components after disposition of the vehicle.

- If a recipient disposes of a vehicle but retains vehicle components, the component is treated the same as other federally funded equipment, including maintaining records identifying the retained components in its equipment inventory until disposition.
- FTA maintains a Federal interest in any vehicle components the recipient retains or repurposes. The Federal interest will continue to be proportional to the Federal share of participation in the vehicle acquisition.
- The remaining components must be valued at the time of removal from the vehicle.

FTA Oversight– Chapter V



U.S. Department of Transportation
Federal Transit Administration

FTA Oversight

FTA 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 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, safety, security, and other compliance reviews and audits, in addition to the Triennial Review.

Triennial Review Program

- Required review of all 5307 recipients once every 3 years.
- Assesses compliance with current statutory, regulatory, and administrative requirements.
- Currently examines 23 topic areas.
- Provides technical assistance and training on FTA requirements

State Management Review Program

- Discretionary review of State DOTs assess implementation of FTA Statewide grant programs (5310 and 5311).
- Mirrors the triennial review examination of 23 areas, once every 3 years.
- Provides technical assistance and training.

Procurement System Review Program

- Assesses and promotes recipient compliance with procurement requirements and standards in 2CFR Part 200.
- Standards are applicable to FTA third-party procurements
- There are 3 PSR review types:
 - Full Scope review of procurement operations
 - Follow-up review
 - Procurement System Focused review

Financial Management Oversight Program

- Evaluates recipient's financial management systems and internal financial controls.
- There are 6 FMO review types:
 - Full Scope review of financial management system
 - Follow-up reviews
 - Agreed Upon Procedures
 - Financial Capability and Capacity Assessments
 - Cost Allocation and Indirect Cost Rate Plan reviews
 - Consulting Engagements

FTA Oversight & Review Programs

FTA has two comprehensive review programs:

Triennial Review (TR):

- Examines the performance and adherence to current FTA requirements and policies for recipients receiving Urbanized Area Formula Program funds (49 U.S.C. 5307).
- These reviews are statutorily required to occur every three years.

State Management Review (SMR):

- 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.

One Manual, One Process

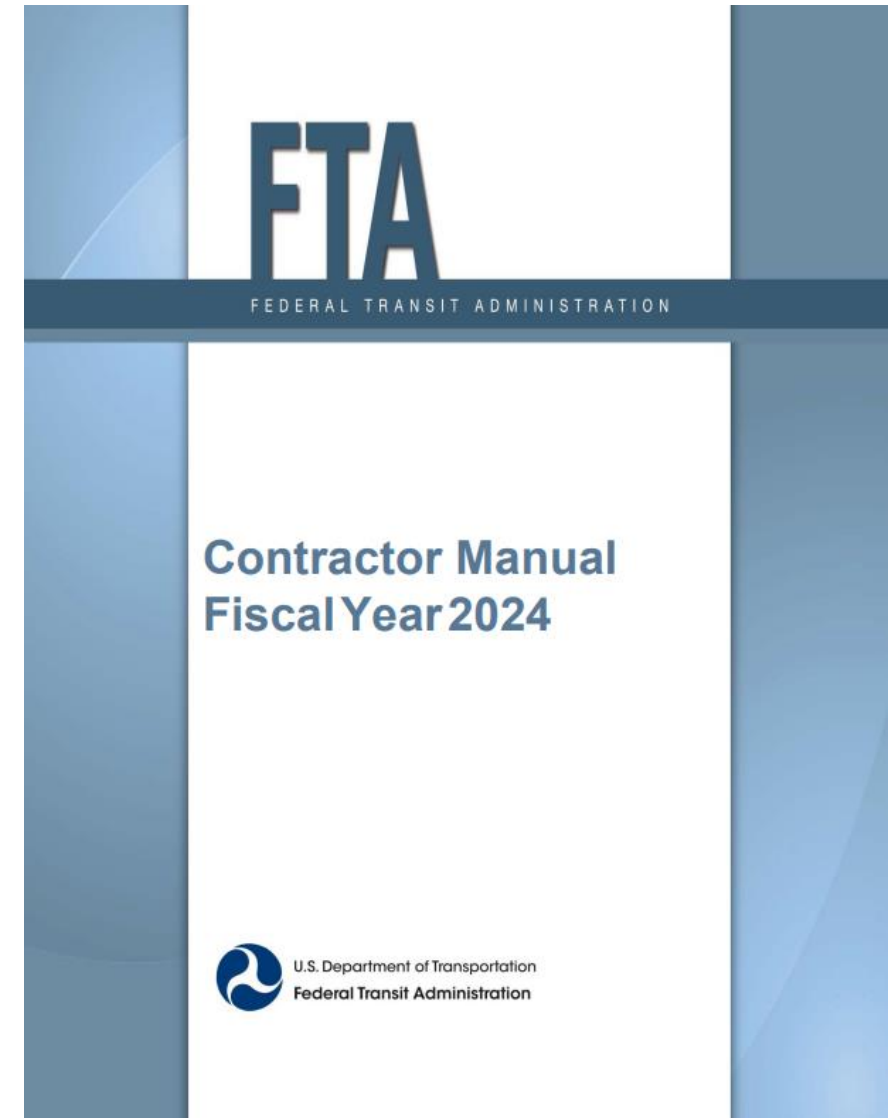
Manual

- Ensures consistency across Triennial and State Management reviews

Process

- Streamlined Recipient Information Request (RIR)

**Scan QR Code for
Contractor's Manual**



Award Closeout– Chapter III



U.S. Department of Transportation
Federal Transit Administration

Closeout Overview

Closeout is the process by which the pass-through recipient or FTA determines that all applicable administrative actions and all required work of the Federal award have been completed.

Timeline & Length

Recipients are required to close an award **90 or 120** days after the end of the period of performance based on when the award was made.

- For awards made **prior** to November 13, 2020 without additional funds after this date - 90 days
- For awards made **after** November 13, 2020 - 120 days

If the recipient does not liquidate its award and 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).



Closeout Overview

The recipient must initiate the closeout electronically in TrAMS by submitting the following:

Confirmation that activities are complete.

A list of property acquired or improved in support of the Award.

A final, reconciled Award Budget reflecting actual project costs by scope code and ALI.

A final FFR.

A final narrative MPR indicating the actual completion date of each ALI.

Any other documentation or reports required.

State Considerations States should initiate project closeout with subrecipients within 90 days after all funds are expended and all work activities for the project are completed.

States should similarly initiate POP closeout with FTA within 90 days after all work activities for the POP are completed and submit a final POP in TrAMS.

Subrecipients must submit all final reports within 90 days after the end of the period of performance of the subaward or an earlier date if agreed upon.

Closeout – Budget Reconciliation

Recipients are required to return unexpended funds and refund any costs FTA. These costs are often discovered during the closeout process, Single Audit, or during oversight reviews.

- The closeout amendment can be used to deobligate and return unused funds.
- Necessary adjustments to the Federal share of the costs of the award are made after FTA receives and reviews the required closeout information.
- If the recipient's indirect cost rate is not finalized, they must submit a revised final financial report when all applicable indirect cost rates have been finalized.
- 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.
- Recipients must promptly refund any costs through pay.gov.

FTA requests the recipients to return cash and remit any interest electronically using the [U.S. Treasury's Pay.Gov Financial Collection System](#). After gaining access: (1) click "Make a Payment;" (2) scroll down to "Search by keyword" and enter "FTA;" and (3) choose the appropriate form, such as Grantee Refunds/Over Payments. The recipient must provide the requested information and submit.

Next Steps

Additional Trainings: GovDelivery notices will be distributed through FTA email

Shared Mailbox

FTACircularUpdate2024@dot.gov

Resources

Learn More:

- [Award Management Requirements \(5010\) Circular](#)
- [Urbanized Areas Formula Grant Programs Guidance \(9050\) Circular](#)
- [Rural Areas Formula Grant Programs Guidance \(9040\) Circular](#)
- [Enhanced Mobility of Seniors and Individuals With Disabilities Program Guidance \(9070\) Circular](#)

FTA Mission, Vision, Values



Mission

Improve America's Communities through Public Transportation



Vision

A Better Quality of Life for All Built on Public Transportation Excellence

Values

Service

Provide reliable, transparent, responsive, and anticipatory services to meet stakeholder needs

Integrity

Commitment to the highest professional and ethical standards

Innovation

Foster new ideas, concepts, and solutions for improved outcomes

Sustainability

Optimize decisions, resources, and systems to make long-term positive impacts on the environment, infrastructure, and safety

Equity

Remove barriers for systemically underserved communities to access all aspects of economic, social, and civic life

Thank you!

Latrina Trotman

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U.S. Department of Transportation
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