

Date: April 17, 2020

Dear Transit Partner:

Thank you for the invitation extended to FTA Region 7 Staff to provide an FTA Update regarding CARES Act information on the Four-State Call. As mentioned during our update, this correspondence provides some helpful tips for CARES Act grant development that our office looks for when reviewing CARES Act grant applications. We are hoping these tips will answer many of your questions and assist in the efficient processing and award of these 100% federally funded grants.

If you have any questions please do not hesitate to reach out to your respective grant managers: Logan Daniels, [Logan.Daniels@dot.gov](mailto:Logan.Daniels@dot.gov) or (816) 329-3933; Shannon Graves, [Shannon.Graves@dot.gov](mailto:Shannon.Graves@dot.gov) or (816) 329-3926; and Jeremiah Shuler, [Jeremiah.Shuler@dot.gov](mailto:Jeremiah.Shuler@dot.gov) or (816) 329-3940.

## CARES ACT GRANT-MAKING TIPS

### GENERAL NOTES:

- CARES Act funds should appear in a stand-alone application, separate from non-CARES Act funding.
- There is **no limit** on the amount of CARES Act funds that may be used for operating, capital, or planning expenses.
- There is **no limit** on the amount of CARES Act funds that may be used for paratransit service.

Lost revenue is an eligible expense under the CARES Act. To implement this provision, FTA will reimburse any eligible expenses that occurred on or after January 20, 2020, including eligible expenses that would have otherwise been paid for by the lost revenue. This includes all of the expenses normally eligible under Urbanized Area Formula Grants (Section 5307) or the Formula Grants for Rural Areas Program (Section 5311) that occurred on or after January 20, 2020, at a 100% Federal share. It also includes reimbursing for any net operating expenses (after subtracting farebox revenues), for all Urbanized Area or Rural recipients.

- Administrative leave for operations employees (including employees performing maintenance): Administrative leave is an administratively authorized absence from duty without loss of pay or reduction in an employee's available leave. In the context of the COVID-19 public health emergency, administrative leave could include, but is not limited to, leave for an employee who is not required to work due to a reduction in service or leave for a worker who is quarantined after potential exposure to an individual infected with COVID-19.

### APPLICATION DETAILS

**APPLICATION NAME:** The Application Name should specifically include the Agency Name, the applicable program (i.e., 5307 or 5311), reference to the CARES Act, and a title that accurately reflects the project scope.

Example: *ABC Transit Section 53XX CARES ACT Operating and Preventive Maintenance*

**APPLICATION TYPE:** Select “Grant.”

**APPLICATION EXECUTIVE SUMMARY:** Include FFY 2020 Section 53XX CARES ACT, amount of federal funds being requested, indicating whether for the full apportionment or partial, a brief application description, and types of project(s) included.

First paragraph template: *This is an FFY 2020 Section 53XX CARES Act application in the amount of \$XXXX. Per the CARES Act, the grant requests X% (up to 100%) federal share. This application utilizes CARES Act funding to prevent, prepare for, and respond to coronavirus. The application scope of work includes [provide a list of projects included in the application].*

If Applicable for 5307 - the Executive Summary should also include:

Total federal funds apportioned or sub allocated to the recipient, as well as a breakdown by urbanized area (if applicable):

*The split letter(s), dated xx/xx/xx20, are attached in TrAMS.*

Finally the executive summary should conclude with the following *Certification Language*:

*The Recipient agrees that if it receives Federal funding from the Federal Emergency Management Agency (FEMA) or through a pass-through entity through the Robert T. Stafford Disaster Relief and Emergency Assistance Act, a different Federal agency, or insurance proceeds for any portion of a project activity approved for FTA funding under this Grant Agreement, it will provide written notification to FTA, and reimburse FTA for any Federal share that duplicates funding provided by FEMA, another Federal agency, or an insurance company.*

**PRE-AWARD AUTHORITY:** The Pre-Award Authority start date for CARES Act funding is January 20, 2020. If pre- award authority is utilized, a recipient will be required to prepare an initial Federal Financial Report in TrAMS before grant execution.

**Funding Source:** Identify the appropriate funding source for your grant application:

Funding Source Short Code	Funding Source Description (Drop-Down)	Section Code
5307-6	5307 Urbanized Area Formula (CARES Act)	90
5311-5	5311 Rural Area Formula (CARES Act)	18
5311-6	5311(c)(2) Appalachian Dev Formula (CARES Act)	18
5311-7	5311(c)(1) Tribal Formula (CARES Act)	18

## PROJECT DETAILS AND NARRATIVES

**PROJECT NAME:** Each project (or expense) must include a name that identifies the eligible expenses being undertaken within the project. CARES Act grant applications generally will include one project to cover multiple scopes/activities. Any major capital projects, including new facility projects should be included in its own project.

**PROJECT DESCRIPTION:** Information in this section should allow reviewers to obtain a general understanding of the nature, purpose, and eligibility of the activities and expenses. If applicable, the project or expense description should identify subrecipients funded through the grant application and the projects being implemented by each subrecipient – this can also be completed by attaching a program of projects (POP).

**Planning PROGRAM INFORMATION:** Please review the CARES Act for programming requirements that may apply to your project. Under **STIP/TIP**, include one of the following statements in the description box.

**NOTE:** per the CARES Act, STIP/TIP is required *only* for capital projects leading to a substantial functional, location, or capacity change.

*This project(s) includes only operations, planning and/or capital projects, with no substantial functional, location, or capacity change. Therefore, per CARES Act requirements, no Statewide Transportation Improvement Program (STIP) or Transportation Improvement Plan (TIP) documentation is needed.*

or

*This project(s) is listed in the FY XXXX-20XX Statewide Transportation Improvement Program (STIP), approved by FTA/FHWA on XX/XX/XXXX. The STIP ID is XXXX (if applicable). This project is referenced in the STIP on page XX, and the reference page is attached in Application Documents.*

**Activity LINE ITEMS:** Appropriate scopes and activity line items (ALIs) should be selected when developing the project budget. Please utilize the “Custom Line Name” feature to denote specific use of funds, as appropriate.

**5307 Urbanized Area Formula Grants (CARES Act).** Following selection of the CARES Act Account Classification Code (ACC), the Operating Assistance Scope Code for operational expenses under the 5307 CARES Act program is **300-00**. Activity Line Item (ALI) code for 5307 CARES Act operational expenses at 100% is **30.09.08** with a pre-set 100% share. Other ALIs also are available.

**5311 Rural Area Formula (CARES Act).** Following selection of the CARES Act ACC, the Operating Assistance Scope Code for operational expenses under the 5311 CARES Act program can be either **300-00** or **600-00**. The recommended **Scope Code** is **300-00** with the **ALI** of **30.09.08**. However, recipients that traditionally use other Scope and ALI coding may use those.

**Intercity Bus.** For Section 5311 funding, confirm that 15% of state’s CARES Act apportionment has been budgeted for intercity bus. A new Governor’s Certification letter is required if the state plans to budget less than 15% of Cares Act funds for Intercity Bus. The letter should indicate that a consultation process has taken place on or after April 2, 2020 (the day CARES Act apportionment tables and FAQs were first posted to FTA’s website) and has resulted in the certification. Certification letters provided prior to April 2, 2020 may not be used with regard to Cares Act funds. The new Certification letter must be attached to the Cares Act grant if the state plans to budget less than 15% of Cares Act 5311 funds for Intercity Bus.

**NOTE:** If including funds for intercity bus in application, add separate ALI(s) in the application budget under **Scope 634-00**, as you would in an annual formula Section 5311 application.

**Operating Assistance Scope Codes:**

- Scope Code: **300-00**
- Scope Code Name: **Operating Assistance**
- Activity Line Items (ALI): **30.09.08 Emer Relief - Operating Assist -100% Federal Share**

**EXTENDED BUDGET DESCRIPTION:** Sufficiently detailed extended budget descriptions (EBD) should be provided for each Activity Line Item (ALI). The EBD should include the more activity-specific information that may not have been mentioned at Project level.

For **Operations** activities:

*Operating funds will cover expenses for existing service incurred beginning XX/XX/20XX until xx/xx/20xx, including [provide brief description of costs].*

or

*Operating funds will cover expenses for new or expanded service incurred beginning XX/XX/20XX until xx/xx/20xx, including [provide brief description of costs].*

For **Preventive Maintenance** activities:

*Preventive maintenance funds will cover expenses from XX/XX/2020 until XX/XX/20XX. Expenses include [provide brief description of costs].*

**MILESTONES:** Each milestone will be populated with a generic start date/end date field, and recipients are required to identify, at minimum, a start date and an end date for each ALI. However, recipients should add additional milestones, as appropriate, to allow for efficient oversight.

- ALIs that are not contracted out should, at a minimum, include (1) Activity Start Date and (2) the Activity Completion Date.
- At a minimum, activities that will require a contract award should have milestones tracking (1) RFP/IFB Issue Date; (2) Contract Award Date, and (3) Contract Completion Date.
- Rolling stock ALIs should list five milestones: (1) RFP/IFB Issue Date, (2) Contract Award Date, (3) Initial Delivery Date, (4) Final Delivery Date, and (5) Contract Completion Date.

Milestone dates prior to the Period of Performance Start Date may be entered if the recipient has used pre-award authority

**NOTES:**

- For CARES Act funding, pre-award authority cannot be applied before January 20, 2020.
- For State vehicle contracts, please ensure that the vehicle order was not submitted prior to January 20, 2020.

Remember that the Period of Performance End Date on the Application Details screen must occur **after** the final milestone date in the application.

Thank you!

FTA Region 7 