

Apply Estimated Indirect Costs  
New Related Action in TrAMS – Required by OMB M-22-02

**OMB Requirement, per M-22-02**

OMB issued *M-22-02: New Financial Assistance Transparency Reporting Requirements* on October 26, 2021 to highlight new reporting requirements. Consistent with the Grants Management Business Standards, agencies must report the following information to USAspending.gov, various new data elements. Effective April 4, 2022, for grants and cooperative agreements, agencies must report the data element Grants Management Indirect Cost Federal Share Amount. For indirect costs, report the total federal amount of the award allocated to indirect costs in the approved award budget. If the indirect cost amount is adjusted through the life of the award, the updated amount need not be reported by FTA to USAspending. Recipients must report actual indirect costs billed against awards in the FFR reports submitted to FTA.

**FTA Interpretation**

The Indirect Cost Federal Share Amount of each initial application for funds must be recorded in TrAMS and subsequently reported to USAspending, effective April 4, 2022. The Indirect Cost Federal Share Amount is the dollar amount of federal funds that are expected to be used for indirect costs during an award’s proposed period of performance. This estimate is based on the application of the approved indirect cost rate(s) as indicated in the agreement from the federal cognizant agency for indirect costs or the application of the de minimis (10%) rate when applicable. Calculations for determining the amount of indirect costs, including the federal share are determined by applying the rate(s) included in the agreement and applicable base at the time of initial application. Rate documentation is to be uploaded into the Recipient Profile in TrAMS. Information regarding indirect cost estimates will not be reported to USAspending with budget revisions or amendments. To meet this requirement, FTA has created an indirect cost related action in TrAMS to capture the information during application development. The related action is titled Apply Estimated Indirect Costs. This related action must be completed for all awards to move through the review process, even if indirect costs are not included in the application.

**FTA Business Rules on the Indirect Cost Federal Share Amount**

To assist consistency in reporting, the following rules were established in TrAMS for the new related action to Apply Estimated Indirect Costs:

- The Indirect Cost Federal Share Amount must be less than or equal to the Federal Obligation Amount.
- The Indirect Cost Federal Share Amount field is an estimate, determined by an applicant, in an **initial application**; completing the related action is not applicable to amendments or budget revisions.
- The Indirect Cost Federal Share Amount is a projected figure reported to USAspending but does not provide information for the FFR or other financial or oversight

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requirements during the post award period. If the actual amount changes over the course of the award, the estimated amount provided at the time of application does not need to be revised in/as a Related Action.

- The Indirect Cost Federal Share Amount data field must be populated in TrAMS with a dollar value, which can be \$0, if indirect costs are not included for a particular funding source.

### New Related Action in TrAMS during Application Creation

The related action is titled Apply Estimated Indirect Costs. Recipient users with the Submitter or Developer role complete the related action. The related action should be completed after a recipient user has validated all projects in the application.

The screenshot shows the TrAMS interface for application 9900-2022-20. The top navigation bar includes 'WELCOME', 'MY WORK (0)', 'RECORDS', and 'REPORTS'. The main content area is titled '9900-2022-20 | Example TTP Grant' and has tabs for 'Summary', 'Points of Contact', 'Application Control Totals', 'Application Projects', and 'Related Actions'. Under the 'Related Actions' tab, a list of actions is displayed, with 'Apply Estimated Indirect Costs' highlighted by a red box. The other actions are 'Application Documents', 'Add Project to Application', 'Application Details', and 'View-Print Application'.

Once accessed, the federal funding sources are displayed with total FTA Funding Amounts. The recipient user enters the indirect cost estimate amount for each funding source. TrAMS indicates a red “X” and the ‘Indirect Cost Amount’ displays “N/A” if an indirect cost amount has not yet been populated.

The screenshot shows the 'Apply Estimated Indirect Costs for 9900-2022-20' screen. It includes a table of 'Application Funding Sources' with columns for 'Funding Source Name', 'Funding Source Description', 'FTA Total Amount', 'Indirect Cost Amount', and 'Applied?'. The 'Applied?' column shows a red 'X' for the funding source 5311-1B, indicating it is not yet completed. A 'CLOSE' button is located at the bottom left, and a 'COMPLETE' button is at the bottom right.

Funding Source Name	Funding Source Description	FTA Total Amount	Indirect Cost Amount	Applied?
<input type="checkbox"/> 5311-1B	5311 - Tribal Transit Program Formula	\$7,000	N/A	<input type="checkbox"/> X

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The recipient user selects a checkbox next to a funding source row. Upon selection, a grid appears below to display application line items associated with the funding source.

### Apply Estimated Indirect Costs for 9900-2022-20

Indirect costs must be applied for initial awards and is not required for amendments or budget revisions. Edits may be applied during the 'In-Progress' or 'In-Progress / Returned to Grantee' status for an initial award.

**Application Funding Sources**

<input checked="" type="checkbox"/>	Funding Source Name	Funding Source Description	FTA Total Amount	Indirect Cost Amount	Applied?
<input checked="" type="checkbox"/>	5311-1B	5311 - Tribal Transit Program Formula	\$7,000	N/A	<span style="color: red; font-weight: bold;">✘</span>

**5311-1B Application Line Items**

Scope Code	Line Item Description	Line Item Number	FTA Amount
300-00	OPERATING ASSISTANCE	30.09.01	\$7,000

\* Estimated Indirect Cost Amount

The recipient user enters an amount in the required ‘\*Estimated Indirect Cost Amount’ field and then selects ‘Save.’ The ‘\*Estimated Indirect Cost Amount’ reflects the total federal share amount across all line items for the selected funding source. The data input in the ‘\*Estimated Indirect Cost Amount’ is not tracked at the individual line item level, but ALI descriptions may include this information to reflect the items of cost included in the base. The data field must be populated in TrAMS with a dollar value, which can be \$0, if indirect costs are not included for a funding source.

### Apply Estimated Indirect Costs for 9900-2022-20

Indirect costs must be applied for initial awards and is not required for amendments or budget revisions. Edits may be applied during the 'In-Progress' or 'In-Progress / Returned to Grantee' status for an initial award.

**Application Funding Sources**

<input checked="" type="checkbox"/>	Funding Source Name	Funding Source Description	FTA Total Amount	Indirect Cost Amount	Applied?
<input checked="" type="checkbox"/>	5311-1B	5311 - Tribal Transit Program Formula	\$7,000	N/A	<span style="color: red; font-weight: bold;">✘</span>

**5311-1B Application Line Items**

Scope Code	Line Item Description	Line Item Number	FTA Amount
300-00	OPERATING ASSISTANCE	30.09.01	\$7,000

\* Estimated Indirect Cost Amount

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A system validation indicates an error if the value in '\*Estimated Indirect Cost Amount' is higher than the FTA Funding Amount for a funding source. The '\*Estimated Indirect Cost Amount' may not exceed the FTA Funding Amount.

**5311-1B Application Line Items**

Scope Code	Line Item Description	Line Item Number	FTA Amount
300-00	OPERATING ASSISTANCE	30.09.01	\$7,000

**\* Estimated Indirect Cost Amount**

\$7,500

The Estimated Indirect Cost amount may not exceed the FTA Funding Amount

Once populated and passed system validation, a green checkmark is displayed to reflect that the '\*Estimated Indirect Cost Amount' of the funding source has been populated with a dollar value.

### Apply Estimated Indirect Costs for 9900-2022-20

Indirect costs must be applied for initial awards and is not required for amendments or budget revisions. Edits may be applied during the 'In-Progress' or 'In-Progress / Returned to Grantee' status for an initial award.

**Application Funding Sources**

<input type="checkbox"/>	Funding Source Name	Funding Source Description	FTA Total Amount	Indirect Cost Amount	Applied?
<input type="checkbox"/>	5311-1B	5311 - Tribal Transit Program Formula	\$7,000	\$3,500	<input checked="" type="checkbox"/>

When each funding source has a green checkmark, a 'Complete' icon becomes available for the user to indicate completion of the required related action.

### Apply Estimated Indirect Costs for 9900-2022-20

Indirect costs must be applied for initial awards and is not required for amendments or budget revisions. Edits may be applied during the 'In-Progress' or 'In-Progress / Returned to Grantee' status for an initial award.

**Application Funding Sources**

<input type="checkbox"/>	Funding Source Name	Funding Source Description	FTA Total Amount	Indirect Cost Amount	Applied?
<input type="checkbox"/>	5311-1B	5311 - Tribal Transit Program Formula	\$7,000	\$3,500	<input checked="" type="checkbox"/>

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If the Apply Estimated Indirect Costs related action is not complete, the Validate and Transmit Application related action will not be accessible. An error message indicates the Apply Estimated Indirect Costs related action has not been completed.

### 9900-2022-20 | Example TTP Grant

Summary Points of Contact Application Control Totals Application Projects **Related Actions**

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#### Application | Application Validation Results

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##### Application Details

<b>Application Number</b> 9900-2022-20	<b>Application Name</b> Example TTP Grant
<b>Temporary Application Number</b> 9900-2022-20	

##### Critical Issues

✖ Validation Error

This application cannot pass Application Validation and be transmitted to FTA for review until these errors are corrected

- This application has not estimated indirect costs for all funding sources. Please provide the estimated indirect costs before continuing (Apply Indirect Costs Related Action).

### FTA Review and Adjustment Capabilities

Although the responsibility lies with recipients to provide the federal share indirect cost information, Reservationists and Pre-Award Managers can access the Apply Estimated Indirect Costs related action and edit an indirect cost estimate amount on applications in the 'In-Progress' through 'Final Concurrence/Reservation' statuses. This function should be limited to correct minor errors identified during the review process.

### Application Transmittals, as of April 4, 2022

Applications that have been transmitted prior to the date of deployment in TrAMS do not require any action. If an initial application that has been transmitted is returned to the recipient, the Apply Estimated Indirect Cost related action will be applicable.

### TrAMS Data Reports and Application View/Print

The 'Indirect Cost Estimate Amount' data field is a stand-alone field and is not associated with indirect costs reported during post-award. The 'Indirect Cost Estimate Amount' data field is not included in TrAMS data reports and is not displayed on the application view/print.

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### Frequently Asked Questions

1. Where can I obtain step-by-step instructions for entry of the ‘Indirect Cost Estimate Amount Data’ field in TrAMS?
  - The Application Development, In-Progress Phase section of the TrAMS User Guide includes step-by-step instructions. The Recipient User Guide is located at the following link: <https://www.transit.dot.gov/funding/grantee-resources/teamtrams/trams-user-guide>
2. Is the Apply Estimated Indirect Costs related action optional?
  - No. The related action is required to transmit an application in TrAMS, even if indirect costs are not included in the award budget.
3. If there are no indirect costs as part of my application, do I need to complete the related action and what do I enter?
  - Yes. The related action is required. If there are no indirect costs, enter \$0.
4. What prompted this new requirement?
  - OMB M-22-02: New Financial Assistance Transparency Reporting Requirements (October 26, 2021) is The White House Office of Management and Budget (OMB) Memo that requires federal assistance agencies to report this information to USAspending. The related action in TrAMS was created to relay this information for the initial award, as compliant with the memo requirements.
5. What is meant by “estimate?”
  - Because the application is based on projected costs, the amount entered is an estimate of indirect costs expenses calculated using the applicant’s approved indirect cost rate agreement. Using the indirect cost rate agreement or applying the de minimis rate, the applicant prepares estimates based on the approved plan or the rate and applicable base items included in the application and related calculations. If there is a local share required, only the federal share estimate is required for each funding source.
6. As an applicant, if the amount I enter is subsequently changed, am I responsible for the new amount?
  - No. This is a one-time estimate of indirect costs during application development. Actual indirect costs expenditures are reported in the (quarterly, monthly, annual, or other) Federal Financial Report (FFR).

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7. Will the amount entered in the 'Estimated Indirect Cost Amount' data field be used for FTA monitoring purposes during the award?
  - No. This estimate is not required to be compared to post award reports and is independent of the information that would be supplied in Federal Financial Report (FFR) reporting. Actual indirect costs charged are included in the FFR.
  
8. As an applicant, how do I calculate the 'Estimated Indirect Cost Amount' for entry into this new data field in TrAMS?
  - Identify the total applicable base of each funding source (i.e., FTA program) that is part of your application. For each funding source, review the components to determine activity line items that are included in the indirect cost rate base and multiply those costs by your approved indirect cost rate.
  
9. Do I need to report estimated indirect costs of subrecipients?
  - No. Indirect costs included in FTA awards are those charged by the primary recipient.