

FORMULA 5307 GRANT-MAKING TOOLKIT | FEDERAL TRANSIT ADMINISTRATION

Before compiling your TrAMS application, please review the language of the applicable Federal Fiscal Year (FFY) Apportionment and applicable Federal Transit Administration (FTA) Circulars

(<https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/final-circulars>; specifically, C9030.1E, C5010.1E). You also may review resources available on FTA's website (<https://www.transit.dot.gov/regional-offices/region-4/recipient-resources>)

This grant-making toolkit is a general reminder of the items that FTA reviewers might look for in application for Urbanized Area formula funding administered under Section 5307. It does not reflect discretionary Passenger Ferry 5307 funding or FHWA Fund Transfers to Section 5307, more commonly referred to as "flex funds."

FTA may request additional information and documentation, depending on each application and its specific requirements. 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 FTA's statutes, regulations, and Circulars for applicable requirements.

GENERAL NOTES:

- FTA apportions 5307 funds for urbanized areas to states and designated recipients. The state or designated recipient(s) has the principal authority and responsibility for administering funds within an Urbanized Area (UZA). A state is responsible for program administration in UZA's under 200,000 in population (small UZAs), whereas the designated recipient(s) are responsible in UZA's over 200,000 in population (large UZAs).
 - In Small UZAs, funds are allocated by the State via a "Governors Apportionment Letter." Those small urban areas on the letter and applying to FTA are known as "Direct Recipients."
 - In Large UZAs with one or more Designated or Direct recipients, funds are allocated via a "Split Letter."
- Recipients may combine funds from Apportionments up to three Federal Fiscal Years of 5307 funds into one application (consolidated grant) and/or more than one FTA program (Super Grant). For Super Grants, each FTA program would be separated by a different project (same application).
- For reservation purposes, applications with both ADA paratransit (117-11.7C.00) and Preventive Maintenance (PM, 117-11.7A.00) must be separated into different projects (same application).
- Operating expenses may be applied for current and/or preceding years, up to three years per application. If applying for two or three years, please separate each ALI into 12-month increments (i.e. three years = three ALIs).
- PM may be applied for the current and/or immediately preceding year (two-year max). If applying for two years of PM, please separate each ALI into 12-month increments (i.e. two years = two 12-month ALIs).

- 5307 formula funding has a Period of availability of six years (year of apportionment + five years). For example, a federal fiscal year 2022 5307 apportionment would lapse in 2027.
- Pre-award Authority: Pre-award authority means authority given under specific and limited circumstances to incur costs for eligible project activities (before the Federal Award Date of an Award), without prejudice, to possible federal participation in the cost of those project activities. Applicants must comply with all applicable federal requirements. 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. For additional information, see FTA's Circular 5010.
- Consistent with regular formula grant reporting requirements, Quarterly Federal Financial Reports (FFR) and Milestone Progress Reports (MPR) are required for all applications with any of the following criteria below. Applications that do not meet this criteria are required to report annually.
 - Grant total is in excess of \$2 million,
 - Includes Construction Activities,
 - Any other risk factor identified with the grantee or grant activities that may trigger quarterly reporting

RECIPIENT INFORMATION

CERTIFICATIONS AND ASSURANCES: Prior to award, each recipient must have the current Certifications and Assurances pinned in TrAMS. If the Approving Official and Attorney were not the users to pin in TrAMS, please ensure the appropriate documentation is attached (*e.g.*, Delegation of Authority, Signature Page, written justification provided and attached to the recipient profile section of TrAMS).

FTA Certifications and Assurances have been posted on FTA's website. See:

<https://www.transit.dot.gov/funding/grantee-resources/certifications-and-assurances/certifications-assurances>

CIVIL RIGHTS: Each recipient must adhere to civil rights laws in all areas, including the Americans with Disabilities Act (ADA), Equal Employment Opportunity, Disadvantaged Business Enterprise, and Title VI of the Civil Rights Act. 5307 applications that include projects with new construction, construction that involves alterations of stations or stops, or that involve rebuilding or retrofitting vehicles must meet the U.S. Department of Transportation's Standards of ADA compliance. See: <https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/civil-rightsada>.

TITLE IV FACILITY EQUITY ANALYSIS: to comply with Title VI requirements as outlined in 49 CFR §21.5(b)(3) and as described in FTA Circular 4702.1B, a Title VI Facility Equity Analysis (often called a site equity analysis) must be completed early in the planning process for a maintenance facility (such as a bus garage) and before a site is selected. The purpose of the Title VI Equity Analysis is to determine whether the site or location of a facility will result in discrimination on the grounds of race, color, or national origin. Bus stops or transfer facilities generally do not require a site equity analysis, as those are covered during the NEPA process.

Additional information and details may be found in [FTA Circular 4702.1B](#), Chapter III, Section 13. If you have any questions or require further assistance, please contact the Region IV Civil Rights Officer, Michele Foster, D.Michele.Foster@dot.gov.

SUPPORTING DOCUMENTATION: Attach all relevant supporting documentation in the Application Documents section. Supporting Documentation may include, but is not limited to, split or Governors apportionment letters, TIP/STIP, fleet inventories for bus replacements, disposition requests and/or approvals, Table 3a (large UZAs), toll credit approval (if applicable). Depending on the specific activities included in the grant application, additional documentation may be requested at FTA's discretion.

APPLICATION DETAILS

APPLICATION NAME: The Application Name should specifically include reference to 5307, the Agency Name, a title that accurately reflects the project scope, and the UZA(s).

Example: *Section 5307 ABC Transit Capital and Operating Assistance, XX UZA.*

*Note: if developing a Super Grant, please also add "Super Grant" to the application title.

APPLICATION TYPE: Select "Grant."

APPLICATION EXECUTIVE SUMMARY: Include the FFY(s), federal funding source (i.e. FTA 5307), the UZA(s) from which funds have been apportioned to, amount of federal funds being requested, amount and source of nonfederal funds, a brief application description, types of project(s) included, and list of subrecipients, if applicable.

First paragraph template:

This [insert federal fiscal year(s)] application is to request Section 5307 funds apportioned to the [insert UZA(s) or STATE NAME] in the amount of [insert 5307 amount], Nonfederal share is [insert amount] from [insert source]. This application utilizes funding for [insert brief description of activities, i.e. capital and operating] expenses. The application scope of work includes [provide a list of projects and/or activities].

***Notes:**

- if developing a Super Grant, please also provide similar paragraphs for all other funding sources/projects.
- Extensive ALI details, including each ALI amount and/or dates are not necessary here

and better served in the ALI's extended budget description.

- **OMB Executive Summary Requirements:** Effective July 15, 2021, the Executive Summary for new awards and amendments must include the following categories:
 - Purpose of the award;
 - Activities to be performed;
 - Expected outcomes;
 - Intended beneficiaries; and
 - Subrecipient activities (include, but state "None" if no subrecipients included).

OMB Executive Summary Template:

- **Purpose:** *The purpose of this award is to provide 1 year of preventive maintenance, 1 year of operating assistance, and the purchase of 4 replacement vehicles for ABC Transit Agency to assist it in fixed route transit operations.*
- **Activities to be performed:** *Funds will be used to cover all eligible preventive maintenance and operating expenses such as driver salaries, fuel, items having a useful life of less than one year, and the purchase of 4 replacement vehicles.*
- **Expected outcomes:** *Funding will permit ABC Transit Agency to meet preventive maintenance standards, continue to provide operations, and keep rolling stock vehicles in a state of good repair.*
- **Intended beneficiaries:** *ABC Transit Agency and the riders that rely on its service will benefit from continued services, permitting workers to get to work and other destinations.*
- **Subrecipient Activities:** *None*

***Note:** please keep all 5 activities together in executive summary (i.e. do not spread throughout section).

The Application Executive Summary should also include:

- **Total federal funds apportioned or suballocated to the recipient, as well as a breakdown by UZA(s), as applicable:**
The split/suballocation letter(s), dated xx/xx/xx21, is attached in TrAMS.

***Note:** if applying for more than one UZA, please reference each applicable split/Governors apportionment letter.

- **Statewide Transportation Improvement Program (STIP)**

STIP template language:

This project(s) is listed in the current Statewide Transportation Improvement Program (STIP). 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.

- **Attachments:** reference should also be made to any other application attachments as applicable, including but not limited to:
 - Toll/Transportation development credits
 - UPWP page(s), for planning activities
 - Table 3a (Large Urban operators only)
 - Apportionment Tables for FFY(s) sought
 - FHWA Form 1575 (if combining flex funds)
 - Other documents, as applicable

Attachment Template Language: (can be done in bullets, if easier)

The following documents are attached to this application [insert relevant attachments]:

- *[insert attachment #1]*
- *[insert attachment #3]*
- *Etc, etc....*

- **1% Security Requirement:** In each UZA to which funds are apportioned under Section 5307, designated recipients and recipients must certify that either: (1) recipients in the urbanized area will collectively expend at least 1 percent of the amount apportioned to the UZA for a fiscal year on “public transportation security projects,” or (2) that such expenditures for security projects are unnecessary. If a recipient certifies that such expenditures are unnecessary, the recipient should include a brief explanation of how this was determined in their grant application. If such expenditures are not necessary, please include a brief description of how this was determined.
- **0.75% Safety Requirement** (large urban recipients): The Infrastructure Investment & Jobs Act (IIJA) has created a new program requirement for large urban (>200,000 in population) recipients to spend at least 0.75% of the 5307 funds for safety-related projects. Please provide an explanation as to how this requirement is being satisfied and include relevant ALI(s). Examples of activities that may satisfy this requirement are wide-ranging, and may include projects such as improving air filtration systems or lighting on transit property, or procurements that improve safety by replacing older vehicles in a poor state of good repair with newer vehicles in a good state of repair with modern safety features. Recipients in large urbanized areas that may use section 5307 funding for operating expenses by qualifying under the “100-bus rule” may identify operating expenses that satisfy the safety requirement. Although different from the 1% security requirement, some safety expenditures identified to satisfy the safety requirement may also be used to support the 1% security requirement if the recipient can justify the expense as both a safety and a security expense.

Template Language: please reference the Activity Line Item(s) associated with this requirement.

ALI(s) XX.XX.XX is satisfying the 1% security requirement.

Large Urban Recipients only: *ALI(s) XX.XX.XX will be utilized for the 0.75% safety requirement.*

- If using **3rd party contractors**, please add the following:

Template Language:

[Insert Recipient name] will follow all 3rd party procurement policies as defined in C4220.1F (Third Party Contracting Guidance).

[Insert Recipient name] will ensure contractors procured will not be on the FTA Suspension and Debarment list.

- For **vehicle procurement** (if applicable):

Template Language:

[Insert RECIPIENT NAME] will ensure that all vehicles purchased are accessible, purchased from an FTA approved TVM, and reported to FTA within 30 days after contract is signed.

[Insert RECIPIENT NAME] will check the current listing of Transit Vehicle Manufacturers (TVM) (<https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/eligible-tvms-list>) to ensure each is listed as a certified TVM in compliance with FTA regulations.

- Also, please note **the following, as applicable:**
 - Indicate whether future grant requests will be made for remaining project costs.
 - For any proposed activities funded through other FTA applications, please provide the FAIN(s) for these “sister applications.”

PERIOD OF PERFORMANCE START DATE: Date grant is awarded (automatically populated at FTA Obligation/Award).

PERIOD OF PERFORMANCE END DATE: Select date by which all activities are expected to be complete and no further costs incurred. The Period of Performance End Date should be set to the next March 30th, a minimum of five years beyond the latest milestone. For example, if the latest milestone is 4/21/22, the Period of Performance End Date would be 3/30/28.

PRE-AWARD AUTHORITY: When utilizing pre-award authority, a recipient must comply with all FTA and federal requirements prior to undertaking the project, including federal planning requirements, in order to retain eligibility for reimbursement after grant approval.

NOTE: If Pre-Award Authority is selected, the recipient will be required to prepare an initial Federal Financial Report (FFR) in TrAMS before grant execution. Expenses incurred should be recorded on the initial FFR. If no expenses have been incurred, then a statement in the initial FFR should reflect why pre-award authority was chosen. If the agency entered a contract prior to grant execution, the unliquidated obligations line in the initial FFR should reflect the contract amount.

INDIRECT COST RATE: All recipients must identify whether:

- Indirect costs will be applied to this application at the organization's approved rate.
- The de minimis indirect cost rate of 10% will be applied to this application.

or,

- Indirect costs will not be applied to this application.

If your organization's approved Indirect Cost rate will be applied, include the rate information and ensure that either Cost Allocation Plan or Indirect Cost Rate Proposal approval documentation by the respective Cognizant Federal Agency is uploaded in TrAMS in the organization's Recipient Profile. If applying the de minimis rate, please ensure the certification form has been uploaded in TrAMS (please refer to FTA Circular 5010.1E, page VI-9, for more details).

- Indirect costs may be included in accordance with the requirements outlined in the approved indirect cost documentation, including established rates, timeframes, and applicable items of cost. When selecting "Yes" to indirect costs, applicants must add details about the rate(s) to the Indirect Cost Description section of the application details. Please consult the FTA [Regional Office](#) for additional guidance.
- Effective April 4, 2022, the Transit Award Management System (TrAMS) has a related action that is required to be completed as part of application creation. The new related action is titled [Apply Estimated Indirect Costs](#) and must be completed for an application to be transmitted to FTA. The related action was built in TrAMS for compliance with federal reporting requirements. Please reference the [Apply Estimated Indirect Cost – Related Action Guidance document](#) and view the '[how-to](#)' data entry in the recording on FTA's website.

PROJECT DETAILS AND NARRATIVES

PROJECT NAME: Each project (or expense) must include a name that identifies the eligible expenses being undertaken within the 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 included within each project in the application.

If applicable, the project or expense description should identify subrecipients funded through the grant application and the projects being implemented by each subrecipient.

Sufficient detail includes, but is not limited to:

Funding Type. State the type of funds requested [5307]. Include total project cost and the amount of federal and nonfederal funding being requested in the specific Project.

First paragraph template:

This project for FTA 5307 funding in the amount of [insert 5307 amount], is for capital and operating expenses, including [insert brief description of project activities]. The Nonfederal share is [insert amount] from [insert source].

***Note:** if applying for multiple UZAs and/or a Super Grant, which contain multiple application projects in TrAMS, the amounts and activities described in the project description should be limited to only those contained within each project, not the entire application (i.e. if a 5307 application has 2 UZAs and the project description is for UZA #1, please only include UZA #1 amounts and details).

Program of Projects. For Section 5307 funds, proposed activities are subject to the requirements associated with 49 U.S.C. § 5307(b).

PROJECT BENEFITS: Each project must include a statement of the intended outcomes of the project and who will benefit from the project.

CAPITAL INVESTMENT PROJECT DETAILS: Select “No, this is not a Capital Investment Grant project.”

PROGRAM PLAN INFORMATION: Please review the programming requirements under 5307 that may apply to your project.

Under **STIP/TIP**, include the following statements in the description box

This project(s) is listed in the current Statewide Transportation Improvement Program (STIP). 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.

*If applying for 5307 planning activities, **under UPWP**, please also populate the UPWP date and include the following in the description box:

The planning activities proposed are programmed in the current MPO UPWP on page(s) XXXX. The task number(s) associated with this activity is XXXX (if applicable)

***Note:** the planning activities, amount, and FTA funding source in the UPWP should align with the TrAMS application.

PROJECT LOCATION: Recipients should identify the Urbanized Area(s) and congressional district(s) in which the project is located, along with a brief narrative on the project’s location.

***Note:** for small urbanized areas and any discretionary funding, please ensure the State UZA code is also selected.

BUDGET ACTIVITY LINE ITEMS & MILESTONES

FTA FUNDING INFORMATION: There are three common types of 5307 funding. When building the application budget, please select the appropriate FTA Funding Source for your agency. For formula 5307 funds, please see the correct details below:

Funding Source	Description	Section Code
5307-2A	Section 5307 — Urbanized Area (UZA) Formula Grants (2013 and forward)	90

ELIGIBLE ACTIVITIES: under Section 5307 Urbanized Area Formula Grants are outlined in [FTA Circular 9030.1e](#). Common activities outlined in the Circular include but are not limited to those described below.

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

EXTENDED BUDGET DESCRIPTION (EBD): Sufficiently detailed EBDs should be provided for each ALI and include the more activity-specific information that may not have been mentioned at the Project level.

COMMON SCOPE, ALIS & SAMPLE EXTENDED BUDGET DESCRIPTIONS

- **Scope 300-00: Operating Assistance**
 - **Common ALIs:** 30.09.01 for small urban areas; 30.09.03 or 30.09.04: for large urban areas, specific large urban ALI depends on how many buses a recipient has based on NTD.

Extended Budget Description: should include start/end dates that match milestones and a brief description of activities.

Template Language:

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]

***Notes:**

Up to 3-years of operating assistance may be included in an application (current and/or preceding years only). Each year should be a separate ALI (i.e. 3 years = 3 ALIs)

Formula 5307 operating expenses may only be applied for current and/or preceding years.

Milestone start/end dates should match start/end dates in the extended budget description.

- **Scope 111: Bus Rolling Stock:**

- **Common ALIs:** 11.12.XX for replacement buses, or 11.13.XX for expansions. 11.XX.01 (40 FT), 11.XX.03 (30 FT), 11.XX.04 (<30 FT)
- **Extended Budget Description:** please include the following:
 - Narrative explaining who will own, operate, and maintain these vehicles
 - A statement indicating if the vehicles will be ADA accessible. If not, please include a statement that equivalent service certification has been filed with FTA.

Also add the following, as applicable:

- For **Expansion ALIs** – please explain the need for expansion
- For **Replacement ALIs** – include make, model, year, mileage of vehicles being replaced. May simply attach replacement list to application and reference attachment, if easier.
- **When vehicles are for sub-recipients**, include who will be doing the procurement and how the Grantee (in the case of State DOT applications, the State) will ensure satisfactory continuing control of the Federal Interest over the life span of the assets (e.g. “XX” will hold a lien on the vehicles or enter into a sub-recipient agreement with the sub-grantee, etc.)

- **Vehicle Replacement Template Language:**

Replacing [insert quantity, make, model, useful life OR reference to attached replacement list] with new [insert make, model, useful life]. [Insert agency name] will own and operate the vehicles. All vehicles are ADA compliant.

- **Vehicle Expansion Template Language:**

Purchasing [insert quantity, make, model, useful life] for expanded service in the XXXX due to increased ridership of the general public. This was determined based on monthly ridership numbers of the past several years. [Insert agency name] will own and operate the vehicles. All vehicles are ADA compliant.

- **Scope 113: Bus Stations/Stops/Terminals:**

- **Common ALIs:** 11.32.XX (acquisition), 11.32.XX (construction), 11.34.XX (rehab/renovation).
- **Extended Budget Description:** should include useful life for capital items with an individual value over \$5,000. The address of the proposed facility should also be included. Please note that engineering/design efforts should generally be separated into a separate ALI (11.31.XX).

Template Language:

Construction of a new admin/maintenance facility at 123 ABC Drive, Town/City, Zip Code. The facility will allow for continuity of transit operations and more centralized maintenance activities. Useful life of facility is XX years.

***Notes:**

- NEPA & Section 106: construction activities, including potential rehabs, repairs, renovations, demolition and replacements, may warrant discussions with FTA regarding NEPA and Section 106 considerations. This also includes land acquisition and real estate, with additional details provided in FTA's [real estate and NEPA FAQs](#).
- Changes to scope/activities for activities previously cleared for NEPA may require a reevaluation. If applicable, please contact your FTA POC to determine whether or not a reevaluation is necessary.
- To comply with Title VI requirements as outlined in 49 CFR §21.5(b)(3) and as described in FTA Circular 4702.1B, a Title VI Facility Equity Analysis (often called a site equity analysis) must be completed early in the planning process for a maintenance facility (such as a bus garage) and before a site is selected. The purpose of the Title VI Equity Analysis is to determine whether the site or location of a facility will result in discrimination on the grounds of race, color, or national origin. Bus stops or transfer facilities generally do **not** require a site equity analysis, as those are covered during the NEPA process.

- **Scope 117: Preventive Maintenance: (PM)**

- **ALI:** 11.7A.00
- **Extended Budget Description:** should include start/end dates that match milestones and a brief description of activities.

Template Language:

Preventive maintenance to keep assets in a state of good repair from XX/XX/20XX to XX/XX/20XX.

For PM items less than \$5,000 in value, please also add the following:

[Insert Agency Name] does not anticipate the purchase of items over \$5,000 in value at this time. Any items with value over \$5,000 identified during the execution of the activities under this ALI will be included after award (actual value and useful life).

***Notes:**

- PM may be used for the current and/or immediately preceding year (2-year max). Each year should be a separate ALI (i.e. 2 years = 2 ALIs)
- Milestone start/end dates should match start/end dates in the extended budget description.

- **Scope 117: ADA Paratransit**

- **ALI 11.7C.00** – for up to 10 or 20% of apportionment at 80% federal. 20% requires certain conditions be met. For UZA's with more than one recipient, it is the designated recipient's responsibility to work with public transportation operators to allocate and document the 10%.

***Note:** For expenses beyond 10% (or 20%), use Scope 300 & applicable operating ALI (30.09.XX) at 50/50 & note ADA activities in extended budget description.

- **Extended Budget Description:** should include start/end dates that match milestones and a brief description of activities.

Template Language:

Funds will be used to provide complementary ADA paratransit services from XX/XX/20XX to XX/XX/20XX.

***Notes:**

Up to 3-years of operating assistance may be included in an application.

Formula 5307 operating expenses may only be applied for current and/or preceding years.

Milestone start/end dates should match start/end dates in the extended budget description

[FTA's Scope & ALI Tree](#) has more detailed information on the available scopes and ALI's.

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 do not include contracted out project activities should, at a minimum, include: (1) Activity Start Date and (2) the Activity Completion Date.
- At a minimum, activities that will require a third party contract award should have milestones identifying the (1) Request for Proposal (RFP)/Invitation for Bids (IFB Issuance 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.

ENVIRONMENTAL DETERMINATIONS

All National Environmental Policy Act (NEPA) and related environmental requirements apply under Section 5307.

Please note that even though a “C-List” categorical exclusion (CE) option (23 CFR § 771.118(c)) may apply to a project, additional requirements applicable to other Federal and State statutes and regulations may still apply, including but not limited to Section 106 of the National Historic Preservation Act, Section 4(f) of the 1966 Department of Transportation Act, the Clean Water Act, the Clean Air Act, the General Bridge Act, and the Endangered Species Act. Some of these requirements may require review and/or permitting by other Federal agencies. Actions requiring consultation or permitting by another federal agency could constitute unusual circumstances and potentially trigger a higher level of NEPA review, requiring the development of an Environmental Assessment or an Environmental Impact Statement. Requirements under other environmental laws and permits must be met before the project proceeds, regardless of the availability of the NEPA C-List CE. If your project may require additional review or permitting, please consult with your FTA regional point of contact to discuss next steps.