



U.S. Department
of Transportation

**Federal Transit
Administration**

Headquarters

1200 New Jersey Avenue, SE
Washington, DC 20590

September 27, 2024

Dear Colleague:

The Federal Transit Administration (FTA) is responsible for ensuring recipient compliance with financial assistance requirements. On April 4, 2024, the Office of Management and Budget (OMB) issued revisions to multiple parts of the Code of Federal Regulations (CFR) including the Uniform Guidance provided under 2 CFR Part 200. This correspondence is to alert recipients of government-wide changes to requirements related to FTA awards and subawards.

These revisions are part of a required review of the Uniform Guidance performed every five years. Many of the revisions provide clarity and align with existing legislation and regulations; better coordinate processes, procedures, and reporting requirements; and better identify requirements stemming from best practices. Items of note as a result of these revisions include changes to the definitions of equipment and aggregate supplies, an increase in the de minimis rate for indirect costs, and changes to Single Audit requirements. These changes are effective on October 1, 2024.

FTA formally incorporates the 2 CFR Part 200 requirements into its awards through the Master Agreement and Certifications and Assurances. FTA also provides guidance based on these government-wide requirements through its circulars. FTA was in the process of reviewing and updating its award management and program circulars (listed below) when these revisions were published. Subsequently, FTA has updated these circulars to reflect pertinent changes that are effective without any need for further action by FTA.

FTA released the following circulars on September 27, 2024, with an effective date of November 1, 2024:

- Award Management Requirements (C 5010.1F)
- Urbanized Areas Formula Grant Programs Guidance (C 9050.1A)
- Rural Areas Formula Grant Programs Guidance (C 9040.1H)
- Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance (C 9070.1H)

Recipients are obligated to maintain compliance with all federal requirements, as explained by the circulars, upon acceptance of any financial assistance from FTA. Finalized versions of the circulars are available on FTA's Circular page on its website -

<https://www.transit.dot.gov/regulations-and-programs/fta-circulars/circulars>.

FTA is applying 2 CFR Part 200 and the Circulars to both existing and new awards, with the

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following exceptions and highlights:

- **Negotiated Indirect Cost Rate Agreements** - Current approved rates will continue to be honored until the next time they are negotiated.
- **De Minimis Rates** - Recipients may elect to use the new 15 percent de minimis indirect cost rate for any award executed on or after October 1, 2024. Recipients may request to amend existing grants to apply the 15 percent de minimis rate to an existing award if FTA determines that there are sufficient funds to support the 15 percent de minimis rate. In these instances, the recipient must charge the 15 percent de minimis rate only to costs incurred after the effective date of the amendment to implement the 15 percent de minimis rate. Recipients may not retroactively apply the de minimis rate to costs incurred prior to the effective date of the amendment.
- **Single Audits** - The revisions to the Single Audit requirements are effective October 1, 2024. The \$1,000,000 audit and major program determination thresholds apply to non-Federal entity fiscal years beginning on or after October 1, 2024.
- **Real Property Reporting** – Recipients with real property with a Triennial Review or State Management review in 2025 should ensure their Real Property Status Report includes the required information.
- **Disposition** – Disposition of equipment and supplies acquired using FTA funds is governed by both 2 CFR Part 200 and 49 U.S.C. 5334(h)(4)(B) as follows: Per 2 CFR 200.313 and 200.314, if an item of equipment or aggregate unused supplies purchased with Federal assistance, and no longer needed for a transit purpose, are sold for \$10,000 or less, the recipient may retain the full proceeds from the disposition. If the proceeds are greater than \$10,000, then per 49 U.S.C. 5334(h)(4)(B) the recipient may retain \$5,000 and the percentage of the local share in the original Award of the remaining proceeds, with the remaining federal share returned to FTA. In either case, selling and handling expenses are not permitted to be deducted from the amount returned or in determining the sale proceeds. This applies to all dispositions on or after October 1, 2024.
- **Micro-purchase thresholds** – Beginning on October 1, 2024, any recipient or subrecipient may self-certify a higher micro-purchased threshold, up to \$50,000, for all of its awards, in accordance with 2 CFR 200.320(a)(1)(iv). For recipients and subrecipients that do not self-certify, the default micro-purchase threshold will remain \$10,000. FTA intends to add an option to its next update of the annual Certifications and Assurances to make self-certification easier.

Each Friday from October 18 through November 15, 2024, FTA will post a series of prerecorded videos located at <https://www.transit.dot.gov/regulations-and-programs/fta-circulars/fta-2024-circular-update>, addressing summary grants management information and highlight the requirements outlined in each of the revised circulars based on the following schedule:

Training Series	Session Topics	External Recordings To Be Posted On:
Summary Grants Management	<ul style="list-style-type: none"> • General Overview • Government-wide Requirements • FTA-Systems & Requirements 	October 18, 2024
Award Management Requirements, C 5010	<ul style="list-style-type: none"> • Circular Overview, Grants Management & Transit-Related Requirements • Pre-Award Considerations & Financial Management • Post-Award Administration, Oversight, & Award Closeout 	October 25, 2024
Urbanized Areas Formula Grant Programs Guidance, C 9050	<ul style="list-style-type: none"> • Circular & Program Overview • Planning & Program-Level Requirements • Eligible Projects & Related Requirements 	November 1, 2024
Rural Areas Formula Grant Programs Guidance, C 9040	<ul style="list-style-type: none"> • Circular & Program Overview • Program Development & Management 	November 8, 2024
Enhanced Mobility of Seniors & Individuals with Disabilities Program Guidance, C 9070	<ul style="list-style-type: none"> • Circular & Program Overview • Program Administration & Coordinated Planning 	November 15, 2024

As FTA moves forward with implementation, additional requirement documents, guidance, and resources will be updated accordingly. Additional communications and resources will be shared online, but recipients are encouraged to reach out to their Regional Office contacts for specifics pertaining to FTA awards or questions can be posed to: FTACircularUpdate2024@dot.gov.

Sincerely,

Bruce Robinson

Bruce Robinson
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Federal Transit Administration