

GUIDANCE FOR CREATING APPLICATIONS WITH MULTIPLE FUNDING SOURCES IN TRAMS (SUPER GRANTS)

Date: Originally posted February 10, 2016, updated July 25, 2016

Summary:

This document provides guidelines for FTA staff and grant recipients on creating grant applications with multiple funding programs (i.e. super grants) in the Transit Award Management System (TrAMS). The document provides guidance on under what circumstances it would be permissible to include funding from multiple program sources within a single application as well as considerations to take into account before including funds from multiple programs within a single application.

Background:

FTA had deployed TrAMS as the successor to the Transit Electronic Award and Management System (TEAM). When coupled with updates to FTA's financial systems – FMS and ECHO-Web – that interface with USDOT's Delphi accounting system, TrAMS provides recipients with the flexibility to include funding from multiple program sources in a single grant and will allow FTA to track obligations and disbursements from these grants by program funding sources as authorized by law.

Even though it will be possible to include multiple program funds in a single grant application (super grant), these funds must maintain their unique identity and must not be co-mingled or transferred between or among other program sources included in the single grant application. For example, 5307 funds cannot be added to or co-mingled with 5339 funds for purposes of obligating or disbursing payments.

Unless otherwise directed by the Administrator, FTA is not proposing to *require* grantees to include funding from multiple program sources in a single grant. Regional Administrators or their designees would have the discretion to decide when multi-program applications make sense for the purpose of grants management and oversight and when a separate or single program application is more appropriate. However, FTA is establishing guidelines under what conditions multi-program applications are warranted.

July, 2016 update: Please also be aware that, as of July 2016, grants awarded in TrAMS using a single funding source cannot be amended to add new funding sources. Grants that were awarded with multiple funding sources can be amended to add additional funds using the same funding source, but cannot be amended to add a new funding source.

Scenarios for Creating Super Grants Applications:

When multiple funding programs are being used to fund the same capital improvement project, such as a construction project or fixed guideway improvement project:

If a grantee is using Section 5337 State of Good Repair funds to rehabilitate an aging rail line (such as improving electrification and power distribution) and is also using Section 5307 funds to pay to rehabilitate other elements of the same rail line (such as modernizing stations), then the applicant would be able to apply for Section 5307 and 5337 funds in the same grant application. Likewise, if a grantee is supplementing Section 5309 New Starts funds with Section 5307 funds (or funds from a discretionary grant program) to construct a new rail line, the applicant would be able to apply for both sources of funds in the same application. The benefit of this approach is that information about FTA funding for the project, as well as progress reports on the project, would be associated with a single application/award rather than distributed across multiple applications/awards. Keep in mind that, for grants associated with Full Funding Grant Agreements (FFGAs), applications may only include the program funds included in Attachment 6 of the FFGA or Small Starts Grant Agreements.

Applicants may receive funding from multiple funding sources and/or fiscal year apportionments to support the same research activity. In the example of developing a prototype vehicle or ITS system, which can take several years, combining different funding sources into a single project with consolidated reporting and accounting facilitates more effective and efficient management by both the recipient and FTA. It also avoids artificial breaks in program continuity when work toward a vehicle or other complex system is started in one project using one funding source but completed in another project using another funding source.

When research funds are leveraged by capital program funds:

Applicants would be able to apply for discretionary research funding to cover the incremental costs of upgrading capital acquisitions to incorporate advanced features. For example, a transit agency would be able to apply for Section 5307 funding in an amount sufficient to acquire a fleet of clean diesel buses and simultaneously apply for discretionary research funding (e.g., TIGGER, LoNo) to cover the cost differential of upgrading those buses to electric propulsion. Benefits include that limited research funding is leveraged, in this example to deploy substantially greater numbers of advanced-technology vehicles than could otherwise be obtained if only research funding were used to obtain the vehicles, and reporting and review are streamlined for both the recipient and FTA.

When multiple funding programs are being used for the same activity line item:

If a recipient has historically applied for Section 5307 funding for preventive maintenance, for example, and has created a separate 5337 grant for preventive maintenance, the applicant would be able to apply for preventive maintenance in a single application that requests funding from 5307 and 5337.

Note that the application would still require two separate scope codes, and the funds would be reserved, obligated and disbursed separately by scope to track at the program level. For grants with multiple funding programs, funds cannot be transferred between the project scopes funded by different programs once the funds are obligated.

When an applicant is applying for FHWA flex-funding (i.e., Surface Transportation Program and Congestion Mitigation and Air Quality Program) as well as FTA program funding:

Recipients serving urbanized areas would be able to submit a single application that includes FHWA flex funding and Section 5307 funding. Likewise, State DOTs would be able to include FHWA flex funding and Section 5311 funding in the same application. Recipients would also be able to include FHWA funding and Section 5310 program funding. FHWA flex funds, once transferred to FTA, are administered under the applicable program requirements (The application would still require two separate scope codes, and the funds would be reserved, obligated and disbursed separately by scope to track at the program level). For grants with multiple funding programs, funds cannot be transferred between the project scopes funded by different programs once the funds are obligated

When an applicant is applying for formula funds apportioned under different programs in the same funding fiscal year or the prior fiscal year for the same urbanized area(s)

This type of application would allow a recipient to fund public transit goods and services from multiple programs. For example, in instances where a grantee had historically needed to submit three separate grant applications for Section 5307, 5337, and 5339 funding apportioned to the same UZA(s) in the same year, the grantee would be able to request funding from these three programs in a single application provided that the funds are apportioned in the same fiscal year or the preceding fiscal year. The funds would continue to be reserved, obligated, and disbursed separately from the individual program sources (i.e., 5307, 5337, and 5339). For grants with multiple funding programs, funds cannot be transferred between the project scopes funded by different programs once the funds are obligated

Considerations when consolidating multiple funding sources in a single grant:

Program Requirements. The applicant must comply with all applicable program requirements applicable to the funding source included in the application. Failure to fulfill the requirements could delay the entire grant award or, after grant award, could result in restricted draw-downs or the return of expended funds. For example:

- *When an application combines program funds that have more extensive Federal requirements with program funds that have less extensive requirements.*
For example, if an application contains Section 5339 funding (which requires DOL certification) and 5311 funding (which does not require DOL certification), then the entire application would need to be transmitted to DOL for certification before being awarded. DOL certification review could delay the award of funds. In this example, before grantees bundle projects into a super grant, they would need to consider whether there is an urgency to expedite the award of funds which otherwise would not require DOL certification.
- *When an application contains funding from programs that have different MPR/FFR reporting cycles:* Grantees that typically report on an annual basis may want to avoid

combining funding sources that would require them to report more frequently. For example, a State DOT that reports annually on its 5311 awards may not want to include Section 5309 funds, which have a quarterly reporting requirement, in that application. The more frequent reporting cycle takes precedence, and all activities in the grants must be reported on based on that cycle.

Period of Performance: *The period of performance for projects in a grant funded by multiple sources must be comparable.* For example, an application that contains Section 5307 funding for operating assistance and/or preventive maintenance which will be disbursed over a 1-2 year period must not also include funding from the Section 5339 program to construct a bus facility for which funds will be fully disbursed over 5-7 years. Keeping these funding streams in separate grants will allow FTA to expediently close grants that are ready to be closed, and may prevent OIG audit findings for inactive grants.

Grant Accounting: The applicant must understand that it must be able to account separately, by source of funds, for expenses and draw down funds within the grant by the source of funds at the project scope level.