Airport Improvement Program (AIP)

Grant Oversight

Risk Model Policy

Office of Airports

Federal Aviation Administration

October 1, 2012

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# Table of Contents

Section 1 -Introduction ................................................................................................................................. 3  
Section 2 -Background .................................................................................................................................. 3  
Section 3 -Description of the Risk Model ...................................................................................................... 3  
  Section 3.1 - Risk Model ............................................................................................................................ 4  
  Section 3.1.1 Risk Factors ..................................................................................................................... 4  
  Section 3.1.2 Risk Assessment Tool ...................................................................................................... 5  
  Section 3.1.3- Supporting Documentation for Risk Assessment .......................................................... 5  
Section 4 – Results of Risk Assessment ......................................................................................................... 6  
  Section 4.1 Risk Level Definitions ............................................................................................................. 6  
  Section 4.2 Actions necessary for each Risk Levels .................................................................................. 6  
Section 5 – Implementation of New Risk Model and Timeline ............................................................. 7  
  Section 5.1 Initial Assessments ................................................................................................................. 7  
  Section 5.2 On-going Risk Assessment Requirements .............................................................................. 8  
  Section 5.3 Interim Assessments .............................................................................................................. 8  
Section 6 – Risk Model Incorporation into other oversight policies .......................................................... 8  
Section 7 – Standard Grant Documentation Requirements ........................................................................ 8  
  Section 7.1 Sponsor Risk Level Documentation ......................................................................................... 9  
  Section 7.2 Basic Level of Grant Documentation ...................................................................................... 9  
  Section 7.3 Additional Documentation ..................................................................................................... 9  
Appendix A: Risk Factors Rating Scale ..................................................................................................... 10  
Appendix B: Proposed Risk Assessment Program Process Flow ............................................................. 11  
Appendix C: Sponsors Risk Assessment Certification .................................................................................. 12  
Appendix D: Project Manager Assessment Checklist .............................................................................. 15  
Appendix E: Grant Documentation Requirements ..................................................................................... 18  
Appendix F: RISK ASSESSMENT TOOL TECHNICAL GUIDE .............................................................. 224
Section 1 - Introduction
The Office of Airports (ARP) at Federal Aviation Administration (FAA) is responsible for administering the Airport Improvement Program (AIP). This PGL 13-01, which replaces PGL 07-01, further refines a risk-based approach to grant oversight and associated documentation requirements of the AIP. This new approach develops a standard national risk model for grant oversight, including a computer tool for completing the assessment, and using the previously established three-tier risk ranking system (nominal, moderate, elevated). In addition, documentation requirements will be further refined in a separate document to establish the standard documentation requirements for AIP grant oversight and allow for a more targeted approach to increasing grant oversight specifically related to sponsor documentation issues.

Section 2 - Background
The FAA issued PGL 07-01, Revised and Updated Requirements for Airport Improvement Program Grant Management, on January 11, 2007. This PGL was issued in response to audit findings related to FAA’s administration of the AIP Program; specifically in the areas of grant oversight and monitoring of sponsor activities. This was the FAA’s initial attempt to provide a risk-based approach to minimize the potential for misuse of federal funds.

The Department of Transportation’s Office of the Inspector General (OIG) reviewed the AIP program during a recent improper payment audit. One of the recommendations contained in the OIG’s Airport Improvement Program Audit Report on December 1, 2010, recommended that FAA revise its risk management procedures to require the following:

- To review annually the risk-assessments for their grantees and provide written confirmation to the associate administrator that the assessment was done in compliance with the risk-management criteria specified in the risk-management procedures.
- To review and approve payment support documents submitted by moderate-risk grantees within 30 days after request for payment.
- All low-risk grantees requesting payment to prepare and have on file for FAA review, as needed, a summary listing of invoices and other eligible charges for each payment request to include: (1) a brief work summary, (2) vendor names, (3) dates of service, (4) billed amounts, (5) applicable payment dates, and (6) a calculation of the Federal share.
- To review on a periodic basis the invoices or a summary listing of invoices and eligible charges for AIP payments to low-risk grantees.

At the time this recommendation was made, ARP had already initiated a process, which included contract support, to reassess PGL 07-01 and develop a more focused risk profile to strengthen the FAA grants oversight program. The first bullet of the OIG’s recommendation is being addressed in this PGL. The remaining three bullets regarding payment oversight are being addressed in the new Grants Payment Policy which will accompany implementation of the new Department of Transportation (DOT)-wide Delphi eInvoicing System. The new invoicing system is being implemented in the summer 2012.

Section 3 - Description of the Risk Model
Beginning in September 2010, ARP initiated a process to review and update its risk-based grant management practices. ARP used the services of a national consulting firm with considerable expertise in auditing and financial management oversight to assist in the development of a more robust risk based model for grant oversight. ARP used the experience leveraged during the implementation of the
American Recovery and Rehabilitation Act of 2009, as well as a team of Regional managers to act as a Risk Model Steering Committee (RMSC) through development of the updated risk model and associated guidance.

Section 3.1 - Risk Model
The overall ARP Risk Model consists of the following elements:

- Risk Factors – 10 factors and associated assessment criteria
- Risk Assessment Tool - computer assessment form and regional dashboard
- Risk Assessment Documentation – Sponsor Certification and Program Manager Review Form

Section 3.1.1 Risk Factors
After several iterations and vetting through various staff focus groups throughout the ARP field organization, the RMSC identified the following ten Risk Factors, which can be grouped into three specific risk areas. The RMSC assigned percentage weights to the three risk groupings to emphasize those risks that are greater indicators. The model includes risk categories that reflect the sponsor’s experience, past ability to provide information and adhere to grant guidelines and the ability to store and secure data. The risk categories, weighting percentages and associated risk factors are as follows:

- **Category #1 - Sponsor Policies and Information Technology Structure** – 15%,
  - Risk Factor #1 - Sponsor does not have documented policies or procedures to enable oversight of procurement processes, grants oversight, disbursement processes, or business continuity.
  - Risk Factor #2 - Sponsor’s information technology infrastructure and financial systems are not sufficient to support the ongoing management and reporting needs of the project.

- **Category #2 - Sponsor Past Performance** – 75%
  - Risk Factor #3 - Sponsor’s projects are historically not completed within original schedule.
  - Risk Factor #4 – Sponsor has a history of engaging in improper contracting or procurement practices.
  - Risk Factor #5 – Sponsor has a history of grant payment and processing irregularities, such as improper drawdowns, late payments, large unliquidated outstanding balances and untimely financial project closeouts.
  - Risk Factor #6 – Sponsor has a history of requesting 15% amendments prior to project closeout.
  - Risk Factor #7 – Sponsor inability to maintain documentation in a way that can be retrieved easily.
  - Risk Factor #8 – Sponsor has a history of non-compliance with grant assurances and other federal grant requirements (e.g., Davis-Bacon and Buy America).
  - Risk Factor #9 – Sponsor has a history of previous Single Audit findings, or findings of wrongdoing by oversight bodies (e.g., OIG, GAO), or historic problems with audit findings.

- **Category #3 - Sponsor Demographic** – 10%
  - Risk Factor #10 - Sponsor expertise is lacking in key grant and project management areas including but not limited to first-time Sponsor, limited staff, high turnover, etc.

After the ten risk factors were finalized, the Committee developed a criteria rating scale for each factor. The goal of the scale was to enable the FAA field personnel to assess the extent to which each risk existed at the sponsor. The full rating scale for all the risk factors listed above is included in Appendix A.
Once sponsors are rated using the rating scales above, a risk rating is generated for each sponsor. The finalized risk ratings can range from 0-100 points. The RMSC defined FAA sponsor ratings as the following: Very Low (0-15), Low (16-30), Moderate (31-70), High (71-85), or Very High (86-100). These ratings will convert to three (3) risk level categories as described in Section 4.1 below.

Section 3.1.2 Risk Assessment Tool
A computerized risk assessment tool has been developed to execute the proposed risk model and standardize the documentation process for sponsors across all nine regions. The risk assessment tool was designed in the Microsoft Excel Platform and will be maintained and executed on each regional shared drive. Please see Appendix B – Proposed Risk Assessment Program Process Flow for an overview of the suggested flow of the tool. The intent is to incorporate the computerized tool within the next version of the ARP’s System of Airports Reporting (SOAR) and replace the use of the Excel version. The risk assessment tool includes the following two components: the electronic risk assessment form and the electronic regional dashboard.

- The Risk Assessment Form includes a list of questions related to the sponsor’s ability to manage grant funding.
- The Regional Dashboard provides a graphical and statistical representation of the risk assessments completed by region. The dashboard also provides a regional overview of the risk assessment forms that are outstanding.

Section 3.1.2.1 Risk Assessment Form
A risk assessment form that incorporates the ten risk factors and assessment criteria (described in section 3.1.1 above) was created for each FAA grant recipient. This form enables the execution of the risk model described above. The following benefits are expected from the risk assessment form:

- Promotes a standardized, identical risk assessment process across regions;
- Establishes accountability by requiring FAA field personnel to complete the form;
- Supports accessible data through use of regional shared drives; and
- Supports electronic documentation and retention of risk assessments.

The proposed new process requires Field Office personnel to complete a risk assessment form for each of the sponsors within the region. The form was programmed with the functionality to automatically calculate the values of the risk rating.

Section 3.1.2.2 Regional Dashboard
The regional dashboard provides a graphical and statistical representation of the risk assessments completed by region, including any outstanding assessments. Information related to completed assessments is automatically consolidated to this dashboard, located on the region’s share drive, for use by Field Office/Regional personnel.

Please see Appendix F for the Risk Assessment Tool Technical Guide and screenshots of the risk assessment form completion process.

Section 3.1.3- Supporting Documentation for Risk Assessment
During the development of the risk model, the RMSC noted that Field personnel did not routinely collect some of the key data necessary to assess several of the risk categories. This includes documentation regarding sponsor’s policies, procedures, and IT infrastructure. In order to address this gap in
The RMSC developed a Sponsors Risk Assessment Certification document (see Appendix C).

To properly assess the remaining risk categories not captured in the Sponsors Risk Assessment Certification document, the RMSC developed a Project Manager Assessment Checklist (see Appendix D).

Section 3.1.3.1 Sponsors Risk Assessment Certification Document

The purpose of this document is to obtain a certified representation of the policies and processes for procurement, Grant Oversight, Disbursement, Business Continuity, Technology Infrastructure, and Demographics utilized by the sponsor. Once completed by the sponsor, FAA field personnel can then use the data provided to complete the ‘Sponsor Policies and Information Technology Structure’ category in the risk assessment form.

Section 3.1.3.2 Project Manager Assessment Checklist

This document was assembled to enable FAA field personnel to assess sponsors past performance regarding project schedules, procurement practices, payments and processing, grant amendments, documentation, single audits, and improper practices. To complete the checklist, FAA field personnel will utilize the SOAR system to obtain relevant financial historical data. In addition, the FAA Project Managers will leverage personal knowledge, experience, and professional judgment to complete the assessment.

Section 4 – Results of Risk Assessment

The FAA will use the results received from the Risk Assessment Tool as described in section 3.1.2 above to assign one of the three risk levels to an airport sponsor in SOAR. These risk levels will be used to determine what levels of additional oversight a sponsor will receive with respect to their grant management responsibilities.

Section 4.1 Risk Level Definitions

Based on the results of the Risk Assessment Tool completed by ADO or Region, airport sponsors will receive one of three risk rating levels.

Nominal Risk: The Nominal Risk rating is the baseline level for airport sponsors. A sponsor within this classification is assumed to pose a minimal risk for grant management and oversight issues. It is anticipated most airport sponsors will assigned this risk rating. The Nominal Risk rating will be assigned to all sponsors that receive a Very Low (0-15) or Low (16-30) result from the computerized Risk Assessment Tool.

Moderate Risk: A sponsor within this classification is assumed to pose an increased risk for grant management and oversight issues. The Moderate Risk rating will be assigned to all sponsors that receive a Moderate result (31-70) from the computerized Risk Assessment Tool.

Elevated Risk: A sponsor within this classification is assumed to pose a high risk for grant management and oversight issues. The Elevated Risk rating will be assigned to all sponsors that receive a High (71-85) or Very High (86-100) result from the computerized Risk Assessment Tool.

Section 4.2 Actions necessary for each Risk Levels

Nominal Risk: Sponsors with a Nominal Risk rating will receive the basic level of grant oversight and monitoring. No additional documentation or requirements will be placed on the sponsor in
relationship to the Risk Model. However, while a sponsor may not trigger a Moderate or Elevated Risk rating within the model, sponsors may receive targeted, increased oversight in a particular area of their grant management activities consistent with FAA guidance and procedures. For example, while a sponsor may be assigned an overall Nominal Risk rating, FAA field personnel may have identified some irregularities in a specific area such as grant payments. ARP’s grants payments policy outlines increased oversight and documentation requirements using the same risk level definitions in section 4.1 above.

Moderate Risk: Sponsors with a Moderate risk rating will receive additional targeted grant oversight related to the specific factor(s) that triggered the increase in risk rating. Field personnel will review the risk assessment form, and identify which risk factor(s) or combination of risk factors caused the increase. For example: A Risk Assessment Form is completed, which results in a Moderate Risk rating. During review of the Risk Assessment Form, field personnel identify the cause of the increase risk rating in the sponsor’s history of grant payment and processing irregularities, such as improper drawdowns, late payments, large unliquidated outstanding balances and untimely financial project closeouts. The field personnel would then use the Grants Payment Policy to appropriately target the oversight as defined in the policy.

Elevated Risk: Sponsors assigned the elevated risk require significant attention of ARP staff. Coordination with Regional Management must take place before any sponsor is assigned an elevated risk rating. Those requirements under the moderate level would carry forward. In addition, sponsors would be required to develop a Risk Reduction Plan of Corrective Action. The plan must address the following three elements:

- Program Deficiencies Outlined
- Corrective Actions Planned
- Correction Dates mutually agreed to by FAA and Sponsor

A sponsor’s risk rating will only be reassessed once this reduction plan has been completed.

Section 5 – Implementation of New Risk Model and Timeline
Implementation of the updated Risk Model outlined in this document will become effective in FY2013. Airport sponsors that receive AIP funding will be assessed under the updated risk model according to the implementation schedule below.

Section 5.1 Initial Assessments
Since no sponsors have received assessments under the new Risk Model, all sponsors will receive an initial risk assessment by FY2015. With over 3000 sponsors potentially receiving AIP grants on a regular basis, it is anticipated that assessments will be staggered over a three year period. Each Region shall do the following:

- Complete 1/3 of the existing sponsor assessments within their Region each year over the three year period from FY2013 to FY2015.
- Any first time grant recipient shall receive an assessment before receiving an AIP grant.
- Completion of the initial assessments should be prioritized based on airport sponsor existing risk level, volume of AIP funding managed by the sponsor, and sponsor size.
Section 5.2 On-going Risk Assessment Requirements
Assessments will be completed on a recurring basis depending on whether or not the sponsor has received a grant or anticipates receiving a grant.

- After a sponsor has received an initial assessment, they will receive an assessment every 3rd year provided they have received a grant in any of the previous 3 years and expect to receive a grant in the year of the new assessment. For example:
  - Year 1: Initial Assessment Completed; Grant Received
  - Year 2: No grant received
  - Year 3: No grant received
  - Year 4: Grant anticipated; New assessment necessary.

- If a sponsor has not received a grant in the previous 3 years and they do not anticipate accepting a grant that fiscal year, then the new assessment can be deferred until they anticipate accepting another AIP grant.

Section 5.3 Interim Assessments
It is anticipated that sponsors will only receive an assessment every 3 years if they are active grant recipients. Interim assessments may be needed as described below. Before an FAA field office conducts an interim assessment, they must receive concurrence from the Regional office. Generally, interim assessments will only be needed for the following:

- Sponsors that have received a Moderate or Elevated risk rating and have demonstrated they have satisfied the issues that lead to the increased risk rating.
- Targeted oversight from various policies suggests reassessment is necessary.

Section 6 – Risk Model Incorporation into other oversight policies
The structure of the new Risk Model outlined in this document was designed to provide a broad review of an airport sponsor’s internal controls, past performance, and assess the overall risk associated with their grant management practices. This information will be used to determine if a sponsor has overarching issues that need to be addressed to protect the federal investment.

This Risk Model reaffirms the three risk levels that will be assigned to sponsors. All future policies related to grant management, project management, financial oversight, etc. shall incorporate this Risk Model philosophy using the three risk levels established. All future policies in these areas will provide for an increased level of oversight associated with each risk level. Incorporation of the Risk Model philosophy into individual policies will allow the FAA field personnel to perform targeted oversight in areas of concern for a particular sponsor. Each policy will be used in conjunction with this overall Risk Model.

Section 7 – Standard Grant Documentation Requirements
The following standard grant documentation requirements will apply to all AIP grants. Checklists are provided in Appendix E.
Section 7.1 Sponsor Risk Level Documentation
An airport sponsor’s risk level and any changes in that level must be properly documented and filed. At a minimum the form should be updated at the completion of the risk assessment required in this policy. In addition, if the Region should raise or lower the sponsor’s oversight in a particular program area, then the form should be updated.

Section 7.2 Basic Level of Grant Documentation
Sponsors of grants totaling more than $300,000 in a given year will be subject to grant documentation and oversight requirements specified in FAA Order 5100.38C, Airport Improvement Program Handbook. Attachment F identifies the minimal grant documentation required by the Handbook. It does not imply that performance of the items listed is all the AIP administrative responsibilities minimally necessary and required by Order 5100.38C.

Sponsors of grants totaling less than $300,000 in a given year that do not involve land acquisition or development planning generally pose minimal opportunity for waste, fraud or abuse. Therefore, grant documentation for these grants is limited to:

1. SF 424 and attachments;
2. Grant agreement;
3. Engineering agreement;
4. Closeout report;
5. Final SF 271 or equivalent for both sponsors authorized electronic drawdowns through the Electronic Clearing House Operation (web ECHO) System and those requesting manual payments;
6. Final invoice, except for invoices under $1,000 per project item;
7. For construction projects, pre- and post-construction photographs;
8. For equipment projects, photographs of purchased equipment, with Vehicle number and delivery date;
9. Environmental documentation; and
10. All sponsor and engineer certifications.

Section 7.3 Additional Documentation
The Region or ADO may request additional documentation from an airport sponsor if they have identified issues with the sponsor’s progress on the project, have concerns over the sponsor’s compliance with federal requirements, or receive information that suggests the project or those working on the project (sponsor, consultant, contractor, etc.) are not satisfying federal requirements. Examples of additional documentation can include, but is not limited to:

1. Engineering fee negotiations;
2. Weekly construction progress reports;
3. Construction test results;
4. Project change orders.

If there is a specific policy or standard operating procedure covering an area of grant oversight, such as a policy outlining grant payment requirements, then refer to that policy for any additional documentation required to support the sponsor’s compliance with AIP grant requirements.
Appendix B: Proposed Risk Assessment Program Process Flow
Appendix C: Sponsors Risk Assessment Certification

SEE ATTACHED
Federal Aviation Administration  
AIP Grant Oversight Risk Assessment  
Sponsor Certification Checklist

**Airport Sponsors:** Below is a list of questions designed to assist the FAA with assessing current policies, procedures, and infrastructure in place within your control environment. Please take a few moments to complete the checklist by selecting all that apply to your environment.

Once the checklist is completed, please sign and return a copy to the relevant FAA project manager.

A. Airport Sponsor Name and Airports Owned or Operated by the Sponsor

Introduction: The purpose of this document is to assess whether the airport sponsor has policies, procedures, and Information Technology infrastructure supporting the categories below. Please read each section and checkmark all that apply to the Sponsor. Upon completion of this form, please return it to the Federal Aviation Administration.

**Section 1 - Sponsor Policies and Procedures**

*Please select all that apply to the Sponsor listed in field A.*

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<tbody>
<tr>
<td>□</td>
<td>Sponsor has a documented <strong>Procurement</strong> Process.</td>
</tr>
<tr>
<td>□</td>
<td>Procurement process document outlines the roles and responsibilities of each individual involved in processing procurement transactions. This section should also include specific segregation of duties of individuals’ responsibilities and necessary authorizations and approvals.</td>
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<tr>
<td>□</td>
<td>Procurement process document specifies which individuals have been authorized to approve procurement transactions.</td>
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<tr>
<td>□</td>
<td>Procurement process document outlines data retention requirements.</td>
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<tr>
<td>□</td>
<td>Procurement process document outlines purchase card usage and authorizations (if applicable).</td>
</tr>
<tr>
<td>□</td>
<td>Procurement process document outlines processes for goods and services receipt and acknowledgement.</td>
</tr>
<tr>
<td>□</td>
<td>Procurement process document outlines processes for invoice reconciliations and exception handling.</td>
</tr>
<tr>
<td>□</td>
<td>Procurement process document has been reviewed and updated within the last 3 years.</td>
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<tbody>
<tr>
<td>□</td>
<td>Sponsor has a documented <strong>Grants Oversight</strong> Process.</td>
</tr>
<tr>
<td>□</td>
<td>Grants Oversight process document outlines specific steps for gathering documents requested for grant applications. This includes the scope of project, cost estimates, projected timelines of completion, and necessary internal approvals. Process document also includes steps for validating the accuracy of requested documentation and process for submission to the grantor.</td>
</tr>
<tr>
<td>□</td>
<td>Grants Oversight process document outlines roles and responsibilities for managing grant funds. This includes coordination and communication of progress reports and completion schedules with the grantor in accordance with grant specifications. Process document also includes detailed steps regarding the oversight, management, and proper usage of funds toward the awarded project.</td>
</tr>
<tr>
<td>□</td>
<td>Grants Oversight process document outlines specific steps for grant closeout. This includes the preparation and submission of required FAA forms, progress reports, and other documents required by grant award. Process document also includes steps for validating the accuracy of required forms prior to submission to the grantor.</td>
</tr>
<tr>
<td>□</td>
<td>Grants Oversight process document outlines specific steps for grant records management. This includes invoice and receipt retention, maintenance of all progress reports, time schedules, and any additional documentation in accordance with grant specifications.</td>
</tr>
<tr>
<td>□</td>
<td>Grants Oversight process document has been reviewed and updated within the last 3 years.</td>
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**Section 1 - Sponsor Policies and Procedures (Cont'd)**

- Sponsor has a documented *Disbursement* Process.
  - Disbursement process document outlines the specific steps involved in the disbursement process. Steps should document the support required in order to make a disbursement. Example items include purchase order, invoice, and other necessary authorizations.
  - Disbursement process document outlines which individuals have been authorized to release disbursements. This section should also include specific segregation of duties of individuals' responsibilities and necessary authorizations and approvals for disbursing funds.
  - Disbursement process document outlines procedures for reconciliations.
  - Disbursement process document has been reviewed and updated within the last 3 years.

- Sponsor has a documented *Business Continuity* Process.
  - Business Continuity process document outlines contingency plans in the case of disaster.
  - Business Continuity process document outlines contingency plans in the event of resource turnover. This includes the loss of 2 or more key resources heavily involved in normal business operations, including leading teams, approving expenditures and procurement, and overseeing Sponsor projects.
  - Business Continuity process document outlines a list of emergency contacts in the case of disaster.
  - Business Continuity process document outlines data retention requirements (i.e. data backup requirements, storage requirements, etc.).
  - Business Continuity process document specifies instructions for resuming operations in the case of disaster.
  - Business Continuity process document has been reviewed and updated within the last 3 years.

**Section 2 - Sponsor Information Technology Infrastructure**

*Please checkmark the response that best describes the Information Technology environment at the Sponsor named in field A. Additional descriptions are included to assist in determining the appropriate response.*

- Sponsor utilizes manual methods to conduct business.
  - Sponsor communicates with contractors via phone call or manual hand-written letters.
  - Sponsor retains documentation through manual paper trail and storage cabinets.

- Sponsor utilizes a mix of manual and electronic methods to conduct business.
  - Sponsor communicates with contractors via phone, as well as e-mail.
  - Sponsor retains documentation manually, as well as electronically.

- Sponsor utilizes electronic methods to conduct business.
  - Sponsor communicates with contractors via e-mail.
  - Sponsor retains documentation electronically.

**B.** I certify that the above information regarding the Sponsor named in field A is accurate and represents the airport sponsors existing internal controls.

<table>
<thead>
<tr>
<th>Airport Sponsor Signature</th>
<th>Date</th>
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**C.** I accept the certification submitted by the airport sponsor and believe it to be accurate based on my professional responsibilities.

<table>
<thead>
<tr>
<th>Responsible FAA Staff Signature</th>
<th>Date</th>
</tr>
</thead>
</table>
Appendix D: Project Manager Assessment Checklist

SEE ATTACHED
Federal Aviation Administration  
Airport Sponsor Risk Assessment  
Project Manager Assessment Checklist

To FAA Project/Program Managers: Below is a list of suggestions designed to assist the FAA with assessing Sponsors performance. Please review and complete the suggested assessment procedures stated below. Once the assessment is performed, please take a few moments and select all review processes completed for the particular Sponsor. Please Note: Additional review processes might be necessary in order to perform a comprehensive assessment of the Sponsor.

### A. Airport Sponsor Name and Airports Owned or Operated by the Sponsor

<table>
<thead>
<tr>
<th>Sponsor Past Performance</th>
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<tbody>
<tr>
<td>Sponsor's past performance: <strong>Project Schedules.</strong> The list below provides a list of suggested source documentation that can be used to assess whether Sponsor's projects have been historically completed within original schedule.</td>
</tr>
<tr>
<td>☐ Review the initial Sponsor schedule submitted with grant application package for baseline of Sponsor Project schedules.</td>
</tr>
<tr>
<td>☐ Review the Sponsor Quarterly Performance Reports to determine if projects are not completed within original schedule.</td>
</tr>
<tr>
<td>☐ Review the sponsor history of grant payment activity to determine if a Sponsor has large Undelivered Orders Balance (UDO) or payment inactivity.</td>
</tr>
<tr>
<td>Additional Comments: Below please provide any additional comments that should be noted regarding this Sponsor, as well as, state any additional procedures completed in order to assess this Sponsor's ability to complete items within original project schedules.</td>
</tr>
</tbody>
</table>

| Sponsor's past performance: **Procurement Practices.** The list below provides a list of suggested source documentation, if applicable, that can be used to assess whether Sponsor has a history of engaging in improper contracting or procurement practices. |
| ☐ Review of Bid Tabs submitted with grant application package to assess continued compliance with AIP fund regulations |
| ☐ Review of Project Contracts submitted with grant application package to determine if it contained a representation of true market conditions |
| ☐ Review of Engineer Estimates/Reports submitted with grant application and progress reports to assess continued reasonableness of costs |
| ☐ Review of Change Orders for cost analysis retained in Sponsors Grant File to assess if there have been (and the reason for) any significant differences in the proposed contract prices and the Sponsor’s cost estimate |
| ☐ Review of Bid Protests against the Sponsor and contract disputes brought against the Sponsor for any improprieties |
| Additional Comments: Below please provide any additional comments that should be noted regarding this Sponsor, as well as, state any additional procedures completed in order to assess this Sponsor's contracting and procurement practices. |

| Sponsor's past performance: **Payments and Processing.** The list below provides a list of suggested source documentation that can be used to assess whether the Sponsor has a history of grant payment processing irregularities, such as improper drawdowns, late payments, large unliquidated outstanding balances or untimely financial project closeouts. |
| ☐ Review the "Delphi Grant Payment Detail" report in SOAR for payment activity irregularities |
| ☐ Review the "Open/Closed Grant Status" report in SOAR for history of untimely grant closeout |
| ☐ Review the Sponsor's "Quarterly Performance Report” for questionable Sponsor grant payment history as compared to project progress |
| Additional Comments: Below please provide any additional comments that should be noted regarding this Sponsor, as well as, state any additional procedures completed in order to assess this Sponsor's payment and processing practices. |
Sponsor's past performance: **Grant Amendments.** The list below provides a list of suggested source documentation that can be used to assess whether Sponsor has a history of requesting 15% amendments prior to project closeout.

- Review "AIP Grant Status Report" (Form 5100-107) in SOAR for past grant amendments

Additional Comments: Below please provide any additional comments that should be noted regarding this Sponsor, as well as, state any additional procedures completed in order to assess this Sponsor's grant amendment practices.

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Sponsor's past performance: **Documentation.** Leverage personal knowledge, experience, and professional judgment from previous interactions / requests made to Sponsor to assess whether the Sponsor has a history of being able to provide documentation within 30 days of request.

Below please provide any additional comments that should be noted regarding this Sponsor, as well as, state any additional procedures completed in order to assess this Sponsor's level of responsiveness.

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Sponsor's past performance: **Single Audit/Improper Practices.** The list below provides a list of suggested activities that can be performed to assess whether Sponsor has a history of previous Single Audit findings, or findings of wrongdoing by oversight bodies (e.g. OIG, GAO), historic problems with audit findings, or non-compliance with grant assurances and other federal grant requirements (e.g. Davis-Bacon and Buy America).

- Review the Sponsor file to identify any Sponsor compliance issues, such as Single Audit findings and improper practices
- Contact the Office of ACO-100 to confirm any Sponsor compliance issues

Additional Comments: Below please provide any additional comments that should be noted regarding this Sponsor, as well as, state any additional procedures completed in order to assess this Sponsor's Single Audit/Improper practices.

---

B. I certify that the above information is true and accurate to the best of my ability.

FAA Authorized Official - Name: _____________________________ Title: _______________________________

Signature: _________________________________________ Date: __________________________
Appendix E: Grant Documentation Requirements

A. Sponsor Risk Assessment Form

UNDER DEVELOPMENT
B. Documentation* Required for AIP-funded Construction & Equipment Grants, per FAA Order 5100.38C, Chapter 5:

Section 1 – Preliminary Documentation / Project Formulation
- Project Evaluation Report and Development Analysis (Paragraph 1040)
- Environmental Determination (Paragraph 1040)
- Current Airport Master Record, FAA Form 5010-1 (Paragraph 1040)
- Notice of Allocation (Paragraph 1043)
- Other preliminary or significant correspondence

Section 2 - Grant Agreement / Amendments
- Grant Application, SF 424 and attachments (Paragraph 1040)
- Executed Grant Agreement/Amendment, FAA Form 5100-37 (Paragraph 1130 & 1140)
- Other grant related correspondence

Section 3 - Financial
- FAA Form 5100-107 (or electronic equivalent) (Paragraph 1040)
- Grant Payment Forms/Reports (SF 270, 271 or equivalent) (Paragraph 1301-1304)
- Any final payment documentation

Section 4 – Supporting Documentation
- Bid Tabulation and Engineer's Estimate, (Paragraph 1052)
- Appendix 25, Sponsor Certifications Sponsor:
  - Selection of Consultants
  - Sponsor Certification for Project Plans and Specifications
  - Sponsor Certification for Equipment / Construction Contracts
  - Sponsor Certification for Project Final Acceptance
  - Sponsor Certification for Drug Free Workplace
  - Sponsor Certification for Real Property Acquisition
- Sponsor Quarterly Performance Report (Paragraph 1221(c))
- Change Order/Supplemental Agreement Approval Letter, if results in grant amendment (Paragraph 940 (c))
- Summary of Change Orders/Project Costs (Paragraph 1220 (f)). If final inspection is waived, there must be documented rationale (Appendix 10 or equivalent).
- FAA’s Final Cost Review/Final Project Report (Paragraph 1315)
- Construction Safety Phasing Plan (Paragraph 1022 (e))
- For paving project over $250,000, Construction Management Program (Paragraph 1221 (a))
- For paving projects over $250,000, Summary of Interim Test Results in lieu of periodic inspections (Paragraph 1221 (a))

* Equivalent or regionally developed or electronically produced documents may be substituted.
C. Documentation* Required for AIP-funded Land Acquisition Grants, per FAA Order 5100.38C, Chapter 7:

Section 1 - Preliminary Documentation / Project Formulation
- Project Evaluation Report and Development Analysis (Paragraph 1040)
- Environmental Determination (Paragraph 1040)
- Current Airport Master Record, FAA Form 5010-1 (Paragraph 1040)
- Notice of Allocation (Paragraph 1043)
- Other preliminary or significant correspondence

Section 2 - Grant Agreement / Amendments
- Grant Application, SF 424 and attachments (Paragraph 1040)
- Executed Grant Agreement/Amendment, FAA Form 5100-37 (Paragraph 1130 & 1140)
- Other grant related correspondence

Section 3 – Financial
- FAA Form 5100-107 or electronic equivalent (Paragraph 1040)
- Grant Payment Forms/Reports (SF 270, 271 or equivalent) (Paragraph 1301-1304)
- Any final payment documentation

Section 4 - Supporting Documentation
- Appendix 25, Order 5100.38C, Sponsor Certifications:
  - Sponsor Certification for Selection of Consultants
  - Sponsor Certification for Drug Free Workplace
  - Sponsor Certification for Real Property Acquisition
- FAA’s Final Cost Review/Final Project Report (Paragraph 1315)
- Real Property Acquisition Certification of Title Evidence (Paragraph 713 & Appendix 25)
- FAA’s Final Cost Review/Final Project Report (Paragraph 1315)

Section 5 - Other
- Sponsor’s Uniform Act certification (Paragraph 714)
- Other project related materials

* Equivalent or regionally developed or electronically produced documents may be substituted.
D. Documentation* Required for AIP-funded Planning Grants, per FAA Order 5100.38C, Chapter 4:

Section 1 - Preliminary Documentation / Project Formulation
- Project Evaluation Report and Development Analysis (Paragraph 413 (c))
- Current Airport Master Record, FAA Form 5010-1 (Paragraph 1040)
- Notice of Allocation (Paragraph 1043)

Section 2 - Grant Agreement / Amendments
- Grant Application, SF 424 and attachments (Paragraph 413 (c))
- Executed Grant Agreement/Amendment, FAA Form 5100-37, (Paragraph 1130 & 1140)
- Other grant related correspondence

Section 3 - Financial
- FAA Form 5100-107 or electronic equivalent (Paragraph 413 (c))
- Grant Payment Forms/Reports (SF 270, 271 or equivalent) (Paragraph 1301-1304)
- Any final payment documentation

Section 4 - Supporting Documentation
- Appendix 25, Order 5100.38C, Sponsor Certifications:
  - Sponsor Certification for Selection of Consultants
  - Sponsor Certification for Drug Free Workplace
- Sponsor Quarterly Performance Report (Paragraph 1221 (c))
- FAA's Final Cost Review/Final Project Report (Paragraph 1315)

Section 5 - Progress and Other Reports
- Final planning reports (Paragraph 427)
- Other project related materials
SEE ATTACHED
# AIRPORT IMPROVEMENT PROGRAM

## PROJECT EVALUATION REVIEW AND DEVELOPMENT ANALYSIS

### Airport Name/Associated City

<table>
<thead>
<tr>
<th>State</th>
<th>Project No.</th>
<th>Date</th>
</tr>
</thead>
</table>

## PART 1 - Checklist

<table>
<thead>
<tr>
<th>Item</th>
<th>Meets Req.</th>
<th>See Part III</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sponsor Funds</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>2. Site Approval and Airspace Clearance</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>3. NPIAS</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>5. Open Grants ≥ 4 Years</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>6. Compliance</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>7. Status of Runway Protection Zone and Approaches, Exhibit &quot;A&quot;</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>8. Project Useful Life</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>10. Modification of Standards</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>14. Runway Surface Treatment</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>15. Intergovernmental Review</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

## PART II - Description/Analysis/Justification of Work Items

(Use additional pages as needed)

## PART III - Explanation of Checklist Items

(Use additional pages as needed)

FAA Form 5100-109 (05-06)
Appendix F: RISK ASSESSMENT TOOL TECHNICAL GUIDE

This technical guide includes technical details for saving, executing, and using the risk assessment tool.

User System Requirements and Settings

The sections below include the system settings and requirements that are necessary to successfully generate and save the risk assessment form and regional dashboard.

The risk assessment tool requires users to hold an active Microsoft Excel 2003 license.

To best view the framework, the normal DPI (dots per inch) setting of 96 DPI is sufficient. If the framework is not easily visible on the screen, the user can adjust the DPI settings by performing the following steps:

Step 1. Click the “Start” button.
Step 2. Next, Click on the “Control Panel”.
Step 3. Select “Display”.
Step 4. Click on the “Settings” tab.

![Display Properties dialog box](image)

Step 5. Adjust the screen resolution to 1024 by 768 pixels.
Step 6. Click the “Advanced” button in the bottom right.
Step 7. Under the General tab, set the DPI to “Normal size” (96 DPI).

Step 8. Click “OK”.
Risk Assessment Form

The risk assessment form is saved on the FAA shared drive, accessible by field personnel. The following sections describe instructions for accessing, completing, and submitting the risk assessment form.

Opening the Risk Assessment Form

To open the risk assessment form, open the regional shared drive and navigate to the ‘AIP’ folder. Use the following steps to access the risk assessment tool:

Step 1. Navigate to the regional shared drive.
Step 2. Next, click on the folder labeled “AIP”.
Step 3. Click on the folder labeled “ProjectManagers”.
Step 4. Navigate to the Sponsor name desired.
Step 5. Double click on the Sponsor folder name.
Step 6. Double click on the Sponsor’s risk assessment form.

Completing the Risk Assessment Form

Once the risk assessment form is open, utilize the functionality of the mouse to select answers. Use the following steps to complete the risk assessment form:

Step 1. Use the drop-down menu to select the sponsor name.

Step 2. The ‘Sponsor Type’ field is populated based on the ‘Sponsor Name’ selected in the drop-down menu.

Step 3. Use the keyboard to enter the Project Manager’s name.

Step 4. Use data in SOAR to populate the ‘Grant Detail’ information in Section C.
Step 5. If ‘Grant Detail’ is invalid or incorrect, select the ‘Delete’ button by the corresponding Grant row.

<table>
<thead>
<tr>
<th>Grant Description</th>
<th>Grant Number</th>
<th>Grant Amount</th>
<th>Grant Award Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Totals: $0.00

---

Step 6. Once all Grant Detail is entered, click the ‘Keep All’ button to secure information.

<table>
<thead>
<tr>
<th>Grant Description</th>
<th>Grant Number</th>
<th>Grant Amount</th>
<th>Grant Award Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Totals: $0.00

---
Step 7. Scroll to the section labeled ‘Questionnaire.’

Step 8. Read each risk description. Use the mouse pointer to select relevant answers.

Step 9. If the answer to the risk description is ‘Yes’, the user is not required to complete subsequent answers for the risk description.

Step 10. If an answer is selected erroneously, select the ‘Clear Answers’ button to clear the question’s selections.

Step 11. Use the keyboard to enter additional information in the ‘Comments’ section.
Submitting the Risk Assessment Form

Once the risk assessment form is completed, click on the ‘Submit’ button to submit all answers. Use the following steps to submit the risk assessment form:

   Step 1.  Click the ‘Submit’ button at the bottom of the risk assessment form.

Once you have completed this assessment, please select the ‘Submit’ button below. Please note that you must be connected to the FAA network for the results to process, and that this file must be in the correct folder on your region’s shared drive. Please note that once the ‘Submit’ button is selected, this form will be locked from further edits.

   Step 2.  Once an assessment is submitted accurately, the following screen prompt will appear:
Regional Reporting Dashboard
The regional reporting dashboard includes a ‘Process’ tab that illustrates the expected flow of risk assessment completion and regional review processes.

Additionally, the regional reporting dashboard provides a statistical overview of the risk assessment process for each region. The reporting dashboard includes the following reports:

1. The number of outstanding risk assessment forms
2. Response by Airport District Office
3. Response by Airport District Office in dollar amounts
4. Response by Sponsor Type
5. Response by Sponsor Type in dollar amounts
6. Sponsor Risk Rating Breakdown
7. Sponsors by Risk Score
8. Detailed list of Sponsors by Risk Score
9. Detailed list of Sponsors

The reporting dashboard also controls the functionality to allow the Regional Office to unlock risk assessment forms.

Opening the Regional Reporting Dashboard
To open the regional reporting dashboard, open the regional shared drive and navigate to the ‘AIP’ folder. Use the following steps to access the regional reporting dashboard:

Step 1. Navigate to the regional shared drive.
Step 2. Next, click on the folder labeled “AIP”.
Step 3. Click on the folder labeled “Regional Supervisor”.

Populating the Regional Reporting Dashboard
The regional reporting dashboard includes sponsor risk assessment data for a snapshot in time. Dashboard data is updated only when the user chooses. Use the following steps to populate the regional reporting dashboard:

Step 1. Navigate to the ‘Dashboard’ tab.
Step 2. Click on the ‘Import New Data’ button.
Step 3. Once the import process is complete, the following notification will appear:

**Printing the Regional Reporting Dashboard**

The user can print the data imported in the regional reporting dashboard. Use the following steps to print the regional reporting dashboard:

1. Navigate to the ‘Dashboard’ tab.
2. Click on the ‘Print Entire Dashboard’ button.

**Unlocking Risk Assessment Forms**

In the event that a District Office makes an error during completion of the risk assessment form or receives inaccurate information from a sponsor, an unlocking mechanism was built into the regional dashboard. This functionality allows a member of the Regional Office to unlock either a specific risk assessment form, or the entire region’s forms.
Use the following steps to unlock a specific risk assessment form:

Step 1. Navigate to ‘Administrative’ tab of the Reporting Dashboard.

Step 2. Next, click on the button labeled ‘Unlock a Specific Assessment’.

Step 3. Navigate to the regional shared drive.

Step 4. Next, click on the folder labeled “AIP”.

Step 5. Click on the folder labeled “Project Managers”.

Step 6. Navigate to the Sponsor name desired.

Step 7. Double click on the Sponsor folder name.

Step 8. Double click on the Sponsor’s risk assessment form name that begins with the current fiscal year.

Step 9. Once the form is unlocked successfully, the following prompt will appear:

Step 10. Click ‘OK’.

Use the following steps to unlock all risk assessment forms within a region:

Step 1. Navigate to ‘Administrative’ tab of the Reporting Dashboard.

Step 2. Next, click on the button labeled ‘Unlock All Assessments’.
Step 3. Once the forms are unlocked successfully, the following prompt will appear:

![All assessment forms are now unlocked.](image)

Step 4. Click ‘OK’.

Risk Assessment Tool Technological Infrastructure Guide
The section below incorporates technical details supporting the risk assessment tool.

Saving the Risk Assessment Tool File
Please use the following steps to save the risk assessment tool:

- Place the FAA Grant Risk Oversight DVD in the DVD drive.

- Within the DVD, look for a folder containing your region (e.g. AL for Alaska), and that it within that region please find a folder called “Project Managers.”

- Within the folder “Project Managers,” confirm that it contains folders for all of the sponsors of your respective region, and ensure each folder contains a FAA Grant Risk Oversight Assessment tool Excel file. Each Excel tool file must share the exact name of its respective folder.
• Copy the entire regional folder to the designated location on your administration regional share-drive (e.g. AL). Ensure the share-drive location follows the following format when copying the file:

(Regional Share-Drive Letter):\AIP\(Region Name)\Project Managers

• Do not change the folder names in any way (even spacing between words), the location of folders, or the folder structure. This will affect the proper functionality of the Regional Manager’s Reporting Dashboard.

**Saving the Regional Reporting Dashboard**

Use the following steps to save the regional reporting dashboard to the FAA regional shared drive:

**Step 1.** Place the FAA Grant Risk Oversight DVD in the DVD drive.

**Step 2.** Within the DVD, find the region folder name (e.g. AL for Alaska), and within that region please find a folder called “Reporting Dashboard.”

**Step 3.** Copy the entire regional folder to the designated location on your regional share-drive. Ensure the share-drive location follows the following format when copying the file:

(Regional Share-Drive):\AIP\(Region Name)\Reporting Dashboard

**Step 4.** Do not change the folder names in any way (even spacing between words), the location of folders, or the folder structure. This will affect the proper functionality of the Regional Manager’s Reporting Dashboard.

**Troubleshooting FAQs**

Please use the contents below for frequently asked questions and brief troubleshooting exercises.

1. My data is not loading into the reporting dashboard, but there is no error message

   • This issue is likely because the folder is named incorrectly or is in an invalid location. Please ensure that no folder names have been changed and the correct file paths are in place.

2. My dashboard is taking a long time to load. Is something wrong with it?

   • Depending on the amount of data available in the folders to be loaded, the dashboard can take up to 15 minutes to load and display results. If the wait time exceeds 15 minutes, close and re-open the dashboard and run it again.
• If closing and re-opening the dashboard does not work, contact Information Technology and request that the file be re-copied from the original DVD.
• If the aforementioned solutions do not work, there may be an issue with the shared drive itself. Please contact your share drive owner for technical assistance.

3. I am getting an error message with a number. What should I do?

• The file is likely corrupted. Re-copy the file in question from the original DVD.

If there is an unresolvable error, attempt re-copying the files using steps from Saving the Risk Assessment Tool File and Regional Reporting Dashboard sections above. If errors persist, please contact the Regional Office for assistance.

**Locked Cells and Protected Content**
Certain areas of both the Risk Assessment and Reporting Dashboard are locked or hidden and cannot be accessed by the user. This is to keep the mechanics of the tool “under the hood” and to ensure proper functioning of the tool. These areas are:

• Data sheets which save and process data
• Visual Basic code which automates the processing of data
• Calculation formulas on the Excel sheets

Please note that should the workbooks require additional programming, the passwords to the files are 1234.