700 - Grant Implementation

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Typical Application Steps
(7/11/13)

The FAA’s offer of an Airport Improvement Program (AIP) grant agreement cannot occur until the Sponsor satisfactorily fulfills all prerequisite steps. These include:

1. FAA approval AIP participation in the project (i.e. project eligibility)
   - Project work must be allowable under the AIP
   - Project work must be justified
   - Project located on airport owned property

2. Sponsor establishes that projects costs are reasonable and necessary
   - Projects costs are defined (i.e. through negotiations or competitive bids, not estimated)
   - Costs allowed per 49 CFR Part 22 (OMB A-87 and 48 CFR Part 31)
   - Procurement conforms to 49 CFR Part 18.36

3. Project conforms to applicable AIP standards such as:
   - Construction Standards (AC 150/5370-10)
   - Design Standards (AC 150/5300-13)
   - Lighting Equipment Standards (AC 150/5340-30)

Limitations of Use

Users of this guide shall note the obligation for any required action addressed within this guidance originates within applicable Federal directives such as United States Code (USC), Public Law (PL), Code of Federal Regulations (CFR) and official FAA policies. The supplemental information provided in this guidance does not establish additional requirements for participation in the AIP. In the event there is a discrepancy between this guidance and current AIP policy, AIP policy shall always take precedence.
710 - Project Initiation

Project Initiation Letter (Go Letter)  
(4/29/14)

At the time the FAA recommends AIP funding for a Sponsor requested project, the FAA Project Manager will contact the sponsor to advise them that AIP funding appears favorable for their specific project. This notice, commonly referred to as the "Go Letter", is simply a heads-up notice to the sponsor that funding for the project is favorable for the upcoming fiscal year. This is largely a courtesy letter that conveys FAA expectations for successful grant implementation. Sponsors do not have to wait for FAA to issue this letter in order to commence preliminary project activities.

Purpose of Letter  
(7/11/13)

This purpose of the “Go letter” is to advise the Sponsor to initiate actions that allow them to establish defined project costs by date stated in the letter.

The “Go letter” will identify critical target dates for select project tasks such as selection of a consultant, submittal of the Construction Safety and Phasing Plan, submittal of project plans and specifications and the bid opening date. Upon receiving this letter, the sponsor should initiate necessary actions to meet these target dates, especially for long lead items.

Limitations of “Go Letter”  
(7/11/13)

Sponsors must not construe the project initiation letter as a commitment of Federal funds for the project. Receipt of this letter does not represent any implied or explicit guarantee that their location will receive AIP funds for their project.

The official notification that the Sponsor will receive Federal funds for a specific project occurs with the "Congressional Notification" for the release of funds. Prior to receiving the Congressional notification of funding, it is very important that the Sponsor construe all actions as a sponsor initiative instead of a confirmation of AIP funding.

Sponsor Actions  
(4/29/14)

Upon receipt of the "go letter", the sponsor should take immediate action to initiate select tasks necessary for the project. The sponsor should evaluate the initial project schedule identified in the “Go Letter” to determine if they will be able to meet the deadline dates. The Sponsor must coordinate any modifications of this project schedule with the FAA project manager. Significant delays may require adjustments to the project or even postponement until the next fiscal year.

Given that the AIP is a reimbursement-type of Federal Assistance program, the Sponsor will incur project formulation costs well in advance of any confirmation of Federal funding. Sponsors will not be able to seek reimbursement of such costs until a formal grant agreement is in place.

Sponsors do incur a risk by realizing costs ahead of a grant agreement. If project changes occur that result in the FAA not issuing a grant agreement, the preliminary costs the Sponsor may have incurred are not eligible for reimbursement. AIP will only participate in the minimal costs necessary to carry out the work in a manner that results in an useable unit.

Grants Based on Defined Costs  
(7/11/13)

Current FAA policy requires the FAA Project Manager to base grant offers on defined project costs as opposed to estimated costs. Establishing grant offers based upon defined costs permits the efficient distribution of limited AIP funds. Conversely, basing grant offers off estimates has historically resulted in excessive funding for a project. Having excessive funds within a grant agreement represents inefficient utilization of limited AIP funds as other locations may be unable to proceed with their project as a result.

As a rule, the FAA will not tender a grant offer to a Sponsor of a development project until they receive competitive bids and establish a construction phase services agreement, thus substantially defining the project budget.
720 - Project Application

Timing of Application
(7/11/13)

The Sponsor’s submittal of a complete project application is a prerequisite for issuance of a grant offer. Sponsors may submit a project application at any time. However, due to the current FAA policy of issuing grant offers based upon defined costs, we recommended that Sponsors submit the project application only after they receive bids for the project. This allows the Sponsor to submit a project application that addresses the actual required Federal share.

Grant Application Components
(4/29/14)

Be advised, the FAA is currently taking action to implement e-Gov initiatives. It is likely significant changes in the grant application process will take place in the near future. This includes online submittal of applications.

Presently, the application process involves the submittal of hard copy SF-424 form along with supporting documentation (i.e. Project Approval Information).

In order to be acceptable to the FAA, a Sponsor’s project application must be complete and accurate, including all required information and attachments. An authorized official of the Sponsor must sign and date the SF-424. The Sponsor shall submit one original and two copies to the FAA project manager.

The application requirements for the various project types are as follows:

Development, Equipment and Land
- SF 424 Application for Federal Assistance:
- Form 5100-100, Part II-IV:
  - Item 10 of Part II – Section 10 requires the Sponsor identify all tracts of land for which they hold Airport property interest.
  - Although this section requires identifying the individual parcels and tracts, the Sponsor may reference the current “Exhibit A” property map by date and attach it to the application.
  - Avoid general statements such as “no property is being acquired” or “all property is owned by the sponsor”.
  - In lieu of completing this section, sponsor may prepare and submit a separate “certificate-of-title” form that identifies all tracts and parcels as well as the type of property ownership interests they hold.

- Sponsor Assurances
  - Development/Equipment Grant Assurances

- Sponsor Certification Statements (Signed)
  - Selection of Consultant
  - Project Plans & Specifications
  - Equipment/Construction Contract
  - Construction Final Acceptance
  - Real Property Acquisition (Land)

- Drug-Free Certification:
  - Identify all physical locations (e.g. airport, city hall, etc.) of sponsor’s employees that are involved on the project.

- Exhibit A Property Map
  - Exhibit-A maps represents a current snapshot of the Sponsor’s property interests at the time of the application
  - Sponsor may reference a previous submitted Exhibit A property map if they can demonstrate that no changes have occurred since the last submitted exhibit A map.
  - If referring to previous Exhibit A, please identify the date of Exhibit A map being referenced and the AIP grant number under which it was approved
  - Exhibit A maps are not necessary for Vehicle Equipment grants or planning grants

Planning Grant Applications
- SF 424 Cover Sheet:
- Form 5100-101, Part II-IV:
- Sponsor Assurances
  - Development/Equipment Grant Assurances
  - Planning Agency Assurances

- Drug-Free Certification:
  - Identify all physical locations (e.g. airport, city hall, etc.) of sponsor’s employees that are involved on the project.
Application Limitations

(7/11/13)

We caution sponsors that the FAA cannot make any unilateral upward adjustment to the Federal share as requested by the sponsor on the signed application.

If changes in the project budget require an upward adjustment in the requested Federal share, the Sponsor must submit an amended project application to reflect the revised Federal share. We encourage Sponsors to contact the FAA project manager to address any questions regarding the preparation of a project application.

Application Deadline

(3/14/14)

Each year, the FAA establishes a deadline date for sponsors to notify the FAA of their intent to use their entitlement funds for that fiscal year. The FAA will publish this deadline date as a Federal Register notice sometime in January or February of that fiscal year.

Although this date may change slightly from year to year, the typical deadline date is May 1st. Sponsors should strive to submit their application based on received bids by this published deadline date.

Sponsors that fail to meet a published date jeopardize their inclusion in the current fiscal year program. This may result in postponement of their project until the next fiscal year.
730 - Sponsor Assurances

Purpose
(7/11/13)
When airport owners, planning agencies, or other organizations accept funds from a FAA administered airport financial assistance program (i.e. AIP), they must agree to accept certain obligations. These obligations require the grant recipient to maintain and operate their facilities in a safe and efficient manner and in accordance with specified conditions. Block 21 of SF-424, Application for Federal Assistance addresses a certification statement that asserts the sponsor agrees to comply with applicable AIP grant assurances. By agreeing with applicable grant assurances, the Sponsor accepts these obligations as a condition of accepting the grant offer.

Duration of Obligation
(7/11/13)
We advise AIP Sponsors to retain a copy of the grant assurances for each project they accomplish under a federally assisted program. Certain obligations imposed by the grant assurances will extend beyond the completion of the project work. The duration of these obligations depends on the type of recipient, the useful life of the facility under development and other conditions as stipulated in the assurances.

Obtaining Copy of Assurances
(7/11/13)
It is not necessary for Sponsors to submit a copy of the Grant Assurances along with their application. The FAA will subsequently attach the applicable list of assurances to the grant offer. If however, the Sponsor desires to obtain a copy of the assurances for their records at the time they make the application, they may download the applicable assurances as follows:

- Airport Sponsor Assurances (pdf)
- Noise Compatibility Assurances (Non-Airport Sponsor) (pdf)
- Planning Agency Assurances (pdf)
740 - Drug Free Workplace Requirements

Requirements
(7/11/13)

In accordance with the Drug-Free Workplace Act of 1988, 41 USC 702-706, grantees must certify to the Federal Agency they will provide a drug free workplace for their employees. This requirement is established under grant assurance C.1.

The applicable regulation that implements the statute is 49 CFR Part 32. This regulation applies to all recipients of Federal assistance from the U.S. Department of Transportation.

Responsibilities
(7/11/13)

There are two general requirements an AIP Sponsor must meet with regard to the Drug-Free Workplace Requirements

1) Sponsors must make a good faith effort on a continuing basis to maintain drug free workplaces

2) Sponsors must identify to the agency the locations for their employee’s performance of work as identified by the work description of the grant agreement.

To meet the good faith effort, the Sponsor must publish a drug-free workplace statement that addresses the following elements:

- Tells employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace;
- Specifies the actions that you will take against employees for violating this prohibition;
- Notifies employees that as a condition of employment, they abide by the terms of the drug-free workplace statement and they will notify you (the Sponsor) if they are convicted for a violation of a criminal drug statute.

Sponsors must also establish a drug-free awareness program that informs their employees about:

- The dangers of drug abuse in the workplace;
- Your policy of maintaining a drug-free workplace;
- Any available drug counseling, rehabilitation, and employee assistance programs; and
- The penalties that you may impose upon them for drug abuse violations occurring in the workplace.

Certification Format and Submittal
(4/30/14)

There is no formal certification format that the sponsor must use. The Sponsor statement must address the drug-free workplace elements and identify all locations of employee performance.

The Sponsor must submit this certification as an attachment to their grant application. In order to be acceptable, a Sponsor’s certification statement must be complete. Some common causes for rejection.

- Failure to demonstrate that they have established a drug-free workplace statement
- Failure to identify all appropriate locations for performance of work
- Failure of authorized person to sign and date the certification statement
750 - Title VI Assurance

Statutory Requirement

(3/14/14)

Title VI of the Civil Rights Act of 1964, as amended, (Title VI) prohibits discrimination on the grounds of race, color, or national origin under any program or activity receiving Federal financial assistance. Title 49 United States Code (U.S.C.) § 47123 provides similar protections to individuals that participate in an activity carried out with money received from an Airport Improvement Program (AIP) grant. It also extends protection on the basis of sex and creed. The Age Discrimination Act of 1975 prohibits discrimination on the basis of age in Federally-assisted programs.

FAA's policy is to comply fully with these non-discrimination requirements in all FAA-assisted programs.

Note: The title VI assurances were previously addressed by submittal of a separate certification statement signed by the Sponsor. Those certifications statements have been updated and are now incorporated into the standard Grant Assurances attached to each grant offer.

Title VI Grant Assurances and Duration of Obligations

3/14/14

Recipients of funds from DOT or its operating agencies (i.e. FAA) are required to execute the Standard DOT Title VI/Non-Discrimination assurances, or any updated version that may be required by DOT or the FAA.

In accordance with Section 6 of these assurances and 49 CFR § 21.7(a)(1), a recipient generally remains obligated to the requirements of 49 CFR part 21 for the period during which the Federal financial assistance is extended to the program.

All grant agreements between the FAA and a sponsor will include, by reference, the general civil rights assurances found under the Sponsor Grant Assurances. The Sponsor Grant Assurances will also incorporate the Standard DOT Title VI/Non-Discrimination assurances.

The sponsor must comply with such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from funds received from this grant.

This assurance obligates the sponsor for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide (or is in the form of) personal or real property or interest therein or structures or improvements thereon, in which case the assurance obligates the sponsor or any transferee for the longer of the following periods:

a) the period during which the property is used for a purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits or

b) The period during which the sponsor retains ownership or possession of the property.

Sponsor Responsibilities

(3/14/14)

By executing the grant offer, the sponsor agrees to insert required notifications in all procurement solicitations and applicable clauses in all contracts. Sponsors should inform prospective bidders that the requirements established by the Sponsor Assurance flow down to contractors, subcontractors and successors.

The complete obligations of the Sponsor as it pertains to the Standard DOT Title VI/Non-discrimination Assurances are addressed in Appendix 4 of FAA Order 1400.11

Resources

- FAA Order 1400.11 – Nondiscrimination in Federally-Assisted Programs at the FAA
- 49 CFR Part 21: Non-Discrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964
760 - Executing the Grant Offer

Legal Binding Agreement  
(7/11/13) 

The FAA issuance and Sponsor’s subsequent acceptance of an AIP grant offer represents a legal binding agreement between the Sponsor and the United States of America. The sponsor must be legally, financially and otherwise able to assume and carry out the certifications, representations, warranties, assurances, covenants and other obligations set forth within the grant offer.

The sponsor must have the legal authority to act as the grantee. Proper execution of a grant agreement requires an opinion from the sponsor’s attorney attesting to the sponsor’s legal authority to act as a grantee and carry out the responsibilities under the grant agreement.

Executing the Grant  
(7/11/13) 

In order to understand the terms and conditions of the grant agreement, the sponsor should use the following procedure to proper execute a grant agreement.

1. Upon receipt of the grant offer, the Sponsor should carefully review the terms and conditions set forth in the agreement. The Sponsor should note the date at which the FAA’s offer of a grant will expire.
   - Do not add, delete, or otherwise alter any part of the FAA’s offer. Such modification will automatically void the FAA’s offer of assistance.
   - Sponsors with specific questions about the terms and conditions of the agreement should contact the FAA Project Manager to discuss the concern.
2. The Sponsor’s governing body should take appropriate action to formally approve or disapprove acceptance of the grant offer. In the case of co-sponsors, each governing body will need to take appropriate action to formally approve or disapprove the acceptance of the grant offer.
3. Assuming the Sponsor’s governing body accepts the grant offer, a Sponsor’s authorized representative must sign all copies of the grant agreement.
4. The Sponsor must duly attest or notarize the signature of the authorized representative.
5. Each copy of the agreement must bear the impressed or affixed seal of the sponsor.
6. After execution of the agreement by the Sponsor’s authorized representative, the Sponsor’s attorney must certify that the Sponsor’s acceptance complies with state and local law and that it constitutes a legal and binding obligation of the Sponsor.
   - CAUTION: If the Sponsor’s attorney dates the certification prior to the execution by the Sponsor’s authorized official, the FAA will deem the Sponsor’s certification invalid and the agreement will be returned for re-certification by the Sponsor’s attorney.
7. Following certification by the attorney, the Sponsor shall accomplish the following:
   - Fax or email a pdf copy of the signed grant agreement to the FAA Project Manager. This initial submittal only requires the cover sheet through the signature sheet
   - Mail one copy of the executed agreement with original signatures. This submittal must include all attachments to the original offer.
   - The Sponsor shall retain one copy for their records.

Reimbursement of Eligible Costs  
(7/11/13) 

Sponsors should note that they cannot seek reimbursement of incurred eligible costs until the executed grant agreement is returned to the FAA. Upon receiving the executed grant, the FAA will evaluate the Sponsor’s acceptance of the agreement.

If acceptable, the FAA will initiate the process to enter the agreement into the FAA accounting system. The Sponsor typically will be able to make drawdowns on incurred eligible costs within 10 business days of FAA acceptance of the grant.