

1700 - Post Grant Obligations

Entities that receive Federal assistance also accept certain obligations and conditions associated with that assistance. Airport owners and operators who accept a Federal grant are obligated to maintain and operate their facility in a safe and efficient manner. Acceptance of a grant also invokes certain conditions and assurances for which the sponsor must comply. These conditions and assurances become binding contractual obligations between the sponsor and the United States.

Obligations may span different grant development programs. The FAA has administered three such development programs:

1. Federal Airport Aid Program (FAAP) – FAR Part 151
2. Airport Development Aid Program (ADAP) - FAR Part 152
3. Airport Improvement Program (AIP) – U.S.C. Title 49, Chapter 471

Airports owners should be aware that obligations incurred under each program or conveyance document can vary.

The FAA encourages Airport owners to thoroughly review each grant agreement to gain a clear understanding of the obligations and conditions they have accepted. The FAA also encourages Airports owners to maintain a central point for record keeping that allows quick reference to the incurred obligations. Annual reviews of all such agreements will greatly aid a sponsor's efforts in complying with incurred Federal obligations.

RESOURCES

Advisory Circulars

- [AC 150/5190-6](#) - Exclusive Rights at Federally-Obligated Airports
- [AC 150/5190-7](#) - Minimum Standards for Commercial Aeronautical Activities

Forms

- Compliance Questionnaire: [MS Word](#) | [PDF](#)

Grant Assurances

- [Airport Sponsor Assurances](#) (pdf)
- [Noise Compatibility Assurances for Non-Airport Sponsors](#) (pdf)
- [Planning Agency Assurances](#) (pdf)

1710 - Record Keeping Post Grant

General

By accepting an AIP grant agreement, a sponsor agrees to maintain pertinent project accounts and records that fully supports all project transactions and that fully disclose the disposition of all grant proceeds. Sponsors must maintain accounts and records in accordance with an accounting system that will facilitate an effective audit that complies with the Single Audit Act of 1984. This obligation is established by incorporation of grant assurance #13 and by reference to Federal Regulation 49 CFR Part 18.42.

Access to Records

The Federal Aviation Administration, the Office of Inspector General, the Comptroller General of the United States and any of their authorized representatives shall have right of access to any pertinent books, documents, papers or other records of the grantees for purposes of audits and examinations (Ref Grant Assurance #13). This right of access is not limited to any specified retention period.

Type of Records

Each project may present unique documentation requirements. As a minimum the retained information should include but not be limited to the following:

Financial Records

- Invoices and billing statements
- Vouchers
- Canceled checks
- Receipts
- Final contractor payment request

Procurement Records

- Professional services contract
- Selection documentation
- Construction contract and associated documents
- Purchase orders
- Contract instruments (Change Orders, NTP & etc.)
- Record of Negotiations
- Cost or fee analysis
- Audit certification of overhead rates for professional consultant

Administrative Records

- Grant agreement and associated amendments
- Sponsor certifications
- Grant Application
- Certificate of Title
- Drug-Free Workplace certification
- Exhibit A property map
- Sponsor correspondence letters

Project Records

- Final project report
- Record drawings
- Summary of test results
- Daily records and reports
- Final inspection report
- Summary of pay factor applications

Retention of Records

Unless otherwise required, Sponsors are obligated to retain all pertinent documentation for a period of three (3) years. Generally, the three-year period commences on the date of the final reimbursement (Ref: Federal Regulation 49 CFR Part 18.42(c)). For situations such a potential litigation or audit investigation, the Sponsor may be required to retain such records beyond the three-year period.

Because grant agreements impose obligations beyond the three-year time frame, the agreement and documents directly related to the grant agreement (exhibit A property map, certificate of title and etc.) should be retained indefinitely.

Real Property and Equipment

The sponsor shall maintain all pertinent documentation for equipment and real property for the duration of ownership. For equipment, the three-year period for record retention commences on the day the equipment is disposed or replaced, subject to FAA concurrence. For real property, the three-year period commences on the day of property ownership transfer as approved by the FAA.

Access to Records

The Federal Aviation Administration, the Office of Inspector General, the Comptroller General of the United States and any of their authorized representatives shall have right of access to any pertinent books, documents, papers or other records of the grantees for purposes of audits and examinations (Ref. Grant Assurance #13). This right of access is not limited to any specified retention period.

RESOURCES

Federal Regulation

- [49 CFR Part 18](#) - Uniform Administrative Requirements for Grant Agreements

Grant Assurances

- [Airport Sponsor Assurances](#) (pdf)
- [Noise Compatibility Assurances for Non-Airport Sponsors](#) (pdf)
- [Planning Agency Assurances](#) (pdf)

1720 - Audit Requirements Post Grant

General

As a recipient of an AIP grant, a sponsor agrees to maintain all pertinent project accounts and records that fully disclose the disposition of all grant proceeds. The Sponsor must maintain appropriate accounts and records in accordance with an accounting system that will facilitate an effective audit.

Audit Requirement

The requirement for an audit is established by incorporation of grant assurance #13 and by reference to Federal Regulation 49 CFR Part 18. Sponsors that expend \$500,000 or more in an year in Federal funds must have a single or program-specific audit conducted for that year in accordance with the Single Audit Act of 1984 (as amended) and OMB Circular A-133 "*Audits of States, Local Governments and Nonprofit Organization*". The \$500,000 threshold represents all Federal funding sources.

For Sponsors that expend less than \$500,000 of Federal funds in a year, the audit requirements shall be those prescribed by local and State regulation

Sponsor Responsibility

Audits are to be conducted by an independent auditor in accordance with generally accepted auditing standards covering financial audits and standards presented within OMB Circular A-133. The audit reports shall be kept on file for three years from date of issuance.

Submittal

Sponsor's may no longer mail audit reports to the Federal Clearinghouse. Once complete, the Sponsor shall submit the audit report online to the Federal Audit Clearinghouse at <http://harvester.census.gov/fac/>. Users are instructed to create an online report ID and then complete form SF-SAC prior to uploading the audit report.

Audit Costs

The costs for conducting the single audit is eligible for AIP reimbursement. If the Sponsor has received funding from other Federal funding agencies, only a proportional amount of the audit costs will be considered eligible for AIP reimbursement.

RESOURCES

Federal Regulation

- [49 CFR Part 18](#) - Uniform Administrative Requirements for Grant Agreements
- [OMB Circular A-87](#): Cost Principals for State, Local and Indian Tribal Governments
- [OMB Circular A-133](#): Audits of States Local Governments and Non-Profit Organizations

Grant Assurances

- [Airport Sponsor Assurances](#) (pdf)
- [Noise Compatibility Assurances for Non-Airport Sponsors](#) (pdf)
- [Planning Agency Assurances](#) (pdf)

OMB Guidance

- [Single Audit Basics and Where to Get Help](#) (pdf)

1730 - Financial Reports Post Grant

General

Pursuant to Section 111 of the Federal Aviation Administration Authorization Act of 1994, U.S. commercial service airports are required to submit annual airport financial reports within 120 days following the end of the sponsor's fiscal year. The filing requirement for this report is listed under 49 U.S.C. Section 47107(a)19 and Section 111(b) of the Federal Aviation Administration Authorization Act of 1994.

Which Airports Must File?

Any airport that meets the following criteria must file:

- The airport is obligated - An airport is obligated if its sponsor agreed to the Airport Improvement Program grant assurances on or after January 1, 1995.
- The airport provides commercial service - Commercial service airports are those airports that enplane 2,500 or more passengers in a calendar year.
- The airport provided commercial service in the preceding calendar year. For example, if the airport had at least 2,500 enplanements in calendar year 2002, it must file reports for its 2003 fiscal year.

What Reports must be filed?

Each year, U.S. commercial airports must file the following financial reports with the FAA:

- ***The Financial Government Payment Report, FAA Form 5100-126.*** For reporting the payments the airport makes to governmental entities, the services the airport performs for governmental entities, and the land and facilities the airport provides to such entities.
- ***The Operating and Financial Summary, FAA Form 5100-127.*** For reporting airport revenues, expenses, and other financial information.

Website for Airport Financial Reporting Program

Airports can file or amend these reports through the [Airport Financial Reporting Program Website](#). The FAA brochure [Website for the Airport Financial Reporting Program](#) (pdf) contains instructions for using the Airport Financial Reporting Program Website.

FAA Coordination

For additional information regarding financial report requirements within the FAA Central Region, please contact the Central Region Compliance Specialist at 816-329-2642.

RESOURCES

Advisory Circulars

- [AC 150/5100-19](#) (pdf) - Guide for Airport Financial Reports Filed by Airport Sponsors

Websites

- [Compliance Activity Tracking System \(CATS\)](#) – Website of the Airport Financial Reporting Program Website

1740 – Compliance Post Grant

General

When entities receive Federal assistance, they also accept certain obligations and conditions associated with that assistance. These obligations may be incurred by contract or by restrictive covenants in property deeds. This generally involves the following:

- Grant agreements issued under Federal grant programs
- Instruments of approved property transfers
- Deeds of conveyance

Grant Obligations

Airport owners and operators who accept a Federal grant are obligated to maintain and operate their facility in a safe and efficient manner. Acceptance of a grant also invokes certain conditions and assurances for which the sponsor must comply. These obligations extend beyond the formal closure of the project and may span different grant development programs.

The FAA has administered three such development programs

1. Federal Airport Aid Program (FAAP) – FAR Part 151
2. Airport Development Aid Program (ADAP) - FAR Part 152
3. Airport Improvement Program (AIP) – U.S.C. Title 49, Chapter 471

Types of Obligations

Airports owners must be aware that obligations incurred under each program or conveyance document can vary. Some of the major obligations an airport owner can incur are listed below. This list should not be construed as all-inclusive of such incurred Federal obligations.

- *Prohibition on Exclusive Rights*
- *Utilization of Airport Revenue*
- *Proper Maintenance and Operation of Airport Facilities*
- *Protection of Approaches*
- *Maintaining Good Title of airport property*
- *Compatible Land Use*
- *Availability of Fair and Reasonable Terms without unjust discrimination*
- *Adherence to the approved Airport Layout Plan*
- *Sale or Disposal of Federally acquired property*
- *Preserving Rights and Powers*
- *Maintaining acceptable accounting and record keeping systems*
- *Compliance with Civil Rights requirements*
- *Compliance with Disadvantaged Business Enterprise requirements*

Sponsor Responsibilities

Sponsor should thoroughly review each executed agreement and conveyance document for the purpose of gaining a clear understanding of the exact obligations they have accepted. Annual reviews of all such agreements will greatly aid efforts in complying with incurred Federal obligations.

The FAA encourages Sponsors to establish a central point for record keeping purposes that will allow quick reference to their obligations.

Compliance

As part of FAA compliance surveillance activities, obligated airport owners are canvassed, utilizing a "[Sponsor Questionnaire](#)" (pdf).

This questionnaire fulfills a two-fold purpose, serving as a source of information to you, the airport owner, and providing the FAA with data on the condition and operation of your airport. The information submitted on the completed questionnaire will be utilized, along with other available information in this office, in making a determination of your compliance with federal obligations.

The sponsor questionnaire provides an important opportunity for the Federal Aviation Administration and you to review the various grant provisions and assurances which both parties agreed to in past airport development/planning grants. The primary intent is to assure understanding of and compliance with the terms of these grants.

FAA Point of Contact

Questions regarding a Sponsor's compliance with their grant obligations should be directed to Nicoletta Oliver at (816) 329-2642.

RESOURCES

Advisory Circulars

- [AC 150/5190-6](#) - Exclusive Rights at Federally-Obligated Airports
- [AC 150/5190-7](#) - Minimum Standards for Commercial Aeronautical Activities

FAA Policy

- [FAA Order 5190.6B](#) - Compliance Handbook

Forms

- Compliance Questionnaire: [MS Word](#) | [PDF](#)

Grant Assurances

- [Airport Sponsor Assurances](#) (pdf)
- [Noise Compatibility Assurances for Non-Airport Sponsors](#) (pdf)
- [Planning Agency Assurances](#) (pdf)

1750 - Pavement Maintenance Post Grant

General

Public Law 103-305, section 107, amended Title 49, Section 47105, of the United States Code by requiring sponsor assurances on preventative maintenance for project applications involving airfield pavements. For any project to replace or reconstruct pavement, the sponsor must provide assurance to the FAA that they have implemented an effective pavement maintenance management program. The amendment also provides for the submittal of reports addressing the pavement condition and the management program.

The requirement to establish a pavement maintenance management program applies to any pavement at the airport, which has been constructed, reconstructed, or repaired, with federal assistance. All grants involving pavement rehabilitation or reconstruction will contain a grant assurance that addresses the pavement maintenance obligation.

Benefits of Pavements Maintenance

The goal of any maintenance program is to provide a safe and operable pavement for the least possible cost. An effective maintenance program will provide the owner with sufficient information to assess how to obtain the greatest return for funds expended.

The useable life of a pavement can be presented as a curve with pavement condition versus time. In the first several years of the pavement life, the deterioration in pavement condition over time is relatively low. However, at certain point in time, the deterioration of the pavement increases resulting in an accelerated drop in pavement condition.

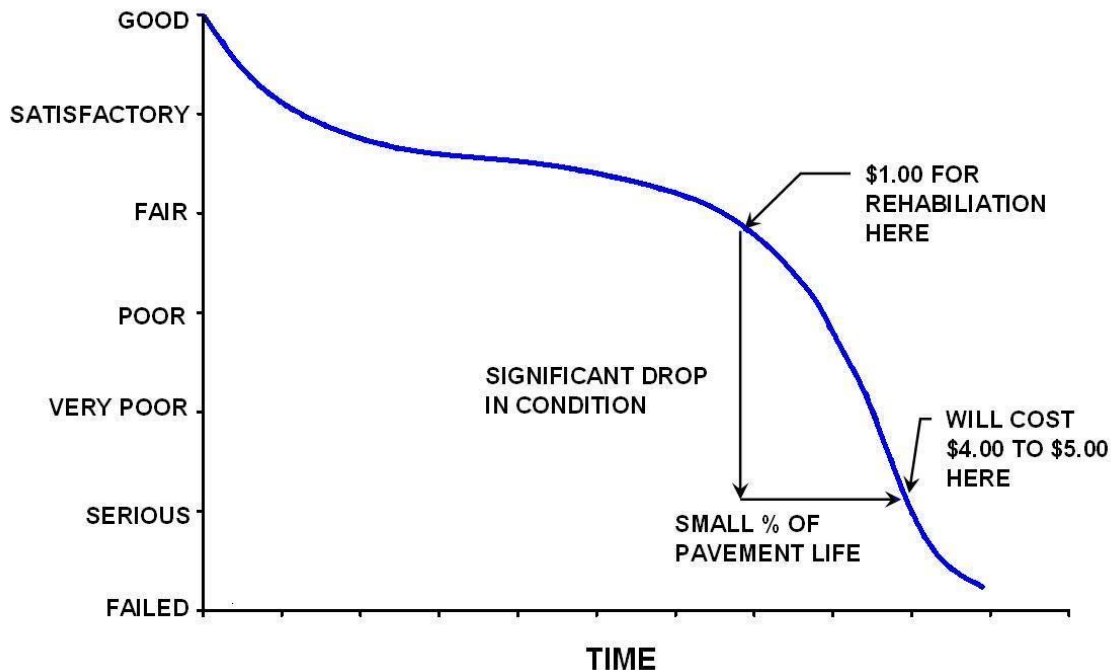


Figure 1
Typical Pavement Life Cycle Curve

Pavement Maintenance Program

An effective pavement maintenance management program is one that details the procedures to be followed for the purpose of assuring that proper pavement maintenance, both preventative and repair, is performed. The program must address key elements that will permit tracking of pavement maintenance activities. As with all successful endeavors, the maintenance program must be provided with sufficient resources and commitment if it is to succeed.

An acceptable program must, as a minimum, address the following elements:

1. Pavement Inventory

The following must be depicted in an appropriate form and level of detail:

- Location of all runways, taxiways, and aprons
- Type of pavement
- Dimensions
- Year of construction or most recent major rehabilitation

For compliance with the Airport Improvement Program assurances, pavements that have been constructed, reconstructed, or repaired with Federal financial assistance shall be so identified.

2. Inspection Schedule

- a. Detailed Inspection. A detailed inspection must be performed at least once a year. If a history of recorded pavement deterioration is available, i.e. Pavement Condition Index (PCI) survey as set forth in Advisory Circular 150/5380-6. Guidelines and Procedures for Maintenance of Airport Pavements, the frequency of inspections may be extended to 3 years.
- b. Drive-by Inspection. A drive-by inspection must be performed a minimum of once per month to detect unexpected changes in the pavement condition.

3. Record Keeping

Complete information on the findings of all detailed inspections and on the maintenance performed must be recorded and kept on file for a minimum of five years. The types of distress, their locations, and remedial action, scheduled or performed, must be documented. The minimum information to be recorded is listed below.

- Inspection date
- Location
- Distress types
- Maintenance scheduled or performed

For drive-by inspections, the date of inspection and any maintenance performed must be recorded.

4. Information Retrieval

An airport sponsor may use any form of record keeping it deems appropriate, so long as the information and records produced by the pavement survey can be retrieved to provide a report to the FAA as may be required.

5. Reference

Refer to Advisory Circular 150/5380-6, Guidelines and Procedures for Maintenance of Airport Pavements, for specific guidelines and procedures for maintaining airport pavements and establishing an effective maintenance program. Specific types of distress, their probable causes, inspection guidelines, and recommended methods of repair are presented.

Guidance for Developing a Pavement Maintenance Program

The FAA does not prescribe the exact format of the program. It may be established electronically or by hardcopy. Each airport should customize the collected information to best fit the needs, conditions, and resources of the airport. The selected system should allow an airport to develop an initial program that can evolve over time.

The FAA Central Region has prepared guidance to assist airport operators in preparing a pavement maintenance program. This guidance is not intended to, nor does it provide a complete program that can be immediately applied to all airports. Larger facilities will require a more extensive program to ensure proper tracking of the maintenance data.

RESOURCES**Publications**

- [AC 150/5380-6](#) – Guidelines and Procedures for Maintenance of Airport Pavements

Forms

- Pavement Inventory Form: [MS Word](#) | [PDF](#)
- Pavement Inspection Form: [MS Word](#) | [PDF](#)

Guidance

- Developing a Pavement Maintenance Program: [MS Word](#) | [PDF](#)
- Checklist for Developing a Pavement Maintenance Program: [PDF](#)
- Sample Pavement Maintenance Program: [MS Word](#) | [PDF](#)

1760 - Release of Airport Property Post Grant

Any requested release, modification, reformation or amendment of an airport agreement between the owner and the United States must be based on a request made in writing, and signed by a duly authorized official of the public agency that owns the airport.

Required Documentation

Although no special form is required, an owner's request should be specific, as applicable and known. Please include one copy of the following in your request:

- a. What is being requested
- b. Identify the agreement(s) with the United States that are involved
- c. Why the release, modification, reformation or amendment is requested.
- d. What facts and circumstances justify the request
- e. What requirements of state or local law or ordinance should be provided for in the language of a FAA issued document if the request is consented to or granted.
- f. What property or facilities are involved
- g. How the property was acquired or obtained by the airport owner
- h. What is the present condition and what present use is made of any property or facilities involved
- i. What use or disposition will be made of the property or facilities
- j. What is the appraised fair market value of the property or facilities? Appraisals or other evidence required to establish fair market value
- k. What proceeds are expected from the use or disposition of the property and what will be done with any net revenues derived.
- l. A comparison of the relative advantage or benefit to the airport from sale or other disposition as opposed to retention for rental income.

Exhibits to Accompany Request

Each request should have a scaled drawing attached showing all airport property and airport facilities which are currently obligated for airport purposes by agreements with the United States. Other exhibits supporting or justifying the request, such as maps, photographs, plans and appraisal reports, should be attached, as appropriate.

Airport Layout Plan

A revised Airport Layout Plan (ALP) must be prepared which reflects the changes to land areas and airport facilities attendant to this action. Accompanying this drawing(s) should be a brief narrative which outlines the rationale used in arriving at the revised plan, i.e., crosswind coverage with only the N/S and NW/SE runways, taxiing patterns to be established, how clearance lines were established, and what kind of aircraft and numbers of operations were assumed in preparing the plan.

Release of Maintenance Obligations

Requests for the release of maintenance obligations do not require items "i", "j", and "k" as noted above.

Questions?

Questions pertaining to a Sponsor's request for release of airport property within the FAA Central Region should be directed to Nicoletta Oliver at (816) 329-2642.

RESOURCES

Advisory Circulars

- [AC 150/5190-6](#) - Exclusive Rights at Federally-Obligated Airports

FAA Policy

- [FAA Order 5190.6](#) - Compliance Handbook

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