



# Federal Aviation Administration

## CARES Act Airport Grants – Frequently Asked Questions

This document answers frequently asked questions (FAQs) stakeholders may have related to the approximately \$10 billion in grants for airports under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The Federal Aviation Administration (FAA) has additional information unrelated to CARES Act grants for airport sponsors considering COVID-19 restrictions or accommodations. That information is available at [www.faa.gov/airports](http://www.faa.gov/airports).

The guidance here is not legally binding in its own right and will not be relied upon by the FAA as a separate basis for affirmative enforcement action or other administrative penalty. Conformity with this guidance, as distinct from existing statutes, regulations, and grant assurances, is voluntary only, and nonconformity will not affect existing rights and obligations.

These FAQs will be updated periodically.

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## General Questions

**Q1: How does the Coronavirus Aid, Relief, and Economic Security (CARES) Act benefit airports?**

**A:** Title XII of Division B of the CARES Act provides approximately \$10 billion to support U.S. airports experiencing severe economic disruption caused by the COVID-19 public health emergency. This funding will be distributed to airports to prevent, prepare for, and respond to the impacts of the COVID-19 public health emergency.

**Q2: Who is eligible to receive funding?**

**A:** These funds are available only to sponsors as defined in section 47102 of title 49, United States Code (U.S.C.); that is, airport sponsors meeting statutory and policy requirements under this section and identified in the FAA's current National Plan of Integrated Airport Systems (NPIAS).

**Q3: Where is this funding coming from?**

**A:** The funds are coming directly from the U.S. Treasury's General Fund to prevent, prepare for, and respond to the impacts of the COVID-19 public health emergency. The FAA's Office of Airports will administer these grant funds to airport sponsors.

**Q4: What is the period of availability for the FAA to obligate CARES Act funding?**

**A:** Funds are available until expended. There is no deadline for the FAA to obligate funds available under the CARES Act. Nevertheless, the FAA intends to award grants and obligate these funds on an expedited basis. The FAA encourages airport sponsors to spend funds expeditiously to reduce the adverse impacts of the current public health emergency.

**Q5: Is there a deadline by which CARES Act Airport Grants funds must be used?**

**A:** Yes, the period of performance for the CARES Act grants is four years. Pursuant to 2 C.F.R. section 200.309, a sponsor may charge to the grant only allowable costs incurred during the period of performance. The FAA may reobligate elsewhere funds not expended within the four-year period of performance, provided that the new obligation is consistent with the purpose of the CARES Act.

**Q6: How will this funding be allocated to airport sponsors?**

**A:** The \$10 billion in funding is divided into four groups. The CARES Act establishes formulas for each group to allocate the funds to specific airports. Because the CARES Act allocates all funds by formula or to increase the Federal share for grants funded under fiscal year (FY) 2020 appropriations, none of these funds are discretionary. These four groups are:

- (1) 100% Federal share for 2020 Airport Improvement Program (AIP) Grants. At least \$500 million is available to increase the Federal share to 100% for grants awarded under the fiscal year (FY) 2020 appropriations cycle for FY 2020 AIP and FY 2020 Supplemental Discretionary grants. The Federal share for FY 2018 and 2019 Supplemental Discretionary grants will not increase. Any remaining funds after apportionment are distributed as described in Group (2) below.
- (2) Commercial Service Airports. At least \$7.4 billion is available to Commercial Service Airports for any purpose for which airport revenues may lawfully be used. The total allocation to an airport is determined by the following formula:
  - a. 50% of the total allocation is based on the number of enplanements the airport had during calendar year 2018 as a percentage of total 2018 enplanements for all commercial service airports.
  - b. 25% of the total allocation is based on the sponsor's fiscal year 2018 debt service as a percentage of the combined debt service for all commercial service airports; and
  - c. 25% of the total allocation is based on the sponsor's fiscal year 2018 ratio of unrestricted reserves to its respective debt service.
- (3) Primary Airports. Up to \$2 billion is available to large, medium, and small hub airports and non-hub primary airports for any purpose for which airport revenues may be lawfully used. These funds are allocated based upon statutory AIP primary entitlement formulas. However, the \$26 million limit under 49 U.S.C. 47114(c)(1)(C)(iii) and reduction for imposing passenger facility charges under 49 U.S.C. 47114(f) do not apply to these allocations.
- (4) General Aviation Airports. At least \$100 million is available to general aviation airports for any purpose for which airport revenues may be lawfully used. These funds are allocated based on the categories published in the most current NPIAS, reflecting the percentage of the aggregate published eligible development costs for each such category, and then dividing the allocated funds evenly among the eligible airports in each category, rounded up to the nearest thousand dollars.

Consistent with the four-year period of performance, all airport sponsors will be subject to a capped initial grant amount equal to four times their annual operating expenses, unless the remaining amount available to grant to the airport would be less than \$1 million. This limitation advances Congress's intent to address the cost needs of airports and promotes the effective management of CARES Act funds. The FAA has determined an airport's annual operating expenses based on the data reported to the FAA for fiscal year 2018. For most airport sponsors, this cap results in no practical effect on the initial grant amount available to them.

**Q7: How is the 100% Federal share determined?**

**A:** When a grant is awarded, the Federal share is determined by the category of airport and the airport development goal. This Federal share is specific to each grant. To implement the CARES Act requirement and award AIP and Supplemental Discretionary grants appropriated for FY 2020 at a 100% Federal share, the FAA will calculate the increased Federal share for each AIP grant. The FAA will amend FY 2020 grants that already have been executed to adjust to the 100% Federal share. The FAA will award and execute the remaining FY 2020 grants with a 100% Federal share.

**Q8: Do CARES grants have a local match?**

**A:** No. Funds under the CARES Act are available at a 100% Federal share.

**Q9: How can an airport sponsor use CARES grant funds?**

**A:** An airport owner/sponsor may use these funds for any purpose for which airport revenues may be lawfully used. CARES grant recipients should follow the FAA's [Policy and Procedures Concerning the Use of Airport Revenues \("Revenue Use Policy"\)](#), 64 Federal Register 7696 (64 FR 7696), as amended by [79 Federal Register 66282 \(79 FR 66282\)](#). The Revenue Use Policy document defines permitted and prohibited uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the CARES Act makes clear that the funds may not be used for any purpose not related to the airport.

**Q10: Can I use CARES grant funds for new airport development on the airport?**

**A:** Yes. However, additional requirements apply. To make these critical CARES funds available as quickly as possible, the FAA is issuing non-construction grants that permit expenditure for airport operating expenses (such as payroll) and to pay airport debt service. A recipient of a CARES grant that wishes to use the funds for new airport development or construction (i.e., to award a contract after March 27, 2020, for airport development) should contact its local Airports District Office or Airports Regional Office to make arrangements to do so. That office will ensure that such development is consistent with all of the recipient's prior Federal obligations, meets safety and security standards, meets National Environmental Policy Act (NEPA), prevailing wage, Buy American, Veterans' Preference, and Disadvantaged Business Enterprise Program requirements, and meets other specific requirements for new airport development under the CARES Act.

**Q11: Are there any other specific requirements for accepting CARES grant funds?**

**A:** Yes. The airport sponsor must continue to employ, through December 31, 2020, at least 90% of the number of individuals employed (after making adjustments for retirements or voluntary employee separations) as of March 27, 2020. The Secretary of Transportation may waive this workforce retention requirement if the Secretary determines that the sponsor is experiencing economic hardship as a direct result of the requirement, or that the requirement reduces aviation safety or security. The workforce retention requirement does not apply to non-hub or non-primary airports.

**Q12: How do small, medium and large hub airport sponsors report their respective compliance with the employee retention requirement?**

**A:** Airport sponsors must certify compliance with the CARES Act employment requirements (outlined in Q11) at the time of grant execution and report employment totals quarterly on June 30, September 30, and December 31, 2020. That report and certification should include the number of full-time equivalent (FTE) employees working at the airport as of March 27, 2020, as the baseline comparison. Airport sponsors may make adjustments for employees who perform duties at both the airport and other facilities operated by the airport sponsor. Airport sponsors also may make adjustments for retirements or voluntary employee separations when calculating the workforce retention percentage. If an airport sponsor has unique circumstances (such as using seasonal employees or contractors for airport management or operations), it should report that information in as much detail as possible in the initial report so any subsequent retention reporting can be substantiated. If an airport sponsor intends to request a waiver from the employment requirements, it should do so no less than 30 days prior to a quarterly report date and provide documentation supporting its request.

**Q13: Are multi-year grants eligible for a 100% Federal share under the CARES Act?**

**A:** The FAA will provide a 100% Federal share for multi-year grants issued in FY 2020 under FY 2020 appropriations (Pub. L. 116-94). Future year funding for FY 2020 multi-year grants will continue to provide a 100% Federal share as long as CARES matching funds remain. Once matching funds are exhausted, FY 2020 multi-year grants will revert to the normal sponsor share. Multi-year grants issued in FY 2019 or earlier are not eligible for a 100% Federal share because they were issued under different appropriations laws. These grants will continue to be funded under the terms of the Grant Agreement.

**Q14: If an airport sponsor owns or operates multiple airports, may CARES Act Airport Grant funds be pooled?**

**A:** Yes. An airport sponsor may use funds at any airport under its control.

**Q15: Are airport sponsors in the Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau, and Wake Island eligible for CARES Act Airport Grants?**

**A:** No. The CARES Act states sponsors of airports defined in 49 U.S.C. 47102 are eligible. Eligible airports are included in the NPIAS. Airports in the Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau, and Wake Island are not included in the NPIAS. While these airport sponsors may be eligible for some AIP discretionary funding, they are not eligible under the CARES Act.

**Q16: Are airports in U.S. territories eligible for CARES Act Airport Grants?**

**A:** Yes. The CARES Act states sponsors of airports defined in 49 U.S.C. 47102 are eligible. Eligible airports are included in the NPIAS. Airports in U.S. territories (American Samoa, Northern Mariana Islands, Puerto Rico, the U.S. Virgin Islands, and Guam) are included in the NPIAS.

**Q17: Can an airport sponsor use CARES Act Airport Grants and funding from other Federal programs to pay for expenses related to the COVID-19 public health emergency?**

**A:** A sponsor may use CARES Act Airport Grants for airport operating expenses that arise due to the COVID-19 public health emergency. The FAA recognizes that several sources of COVID-19 relief funds may be available to airport sponsors. Airport sponsors may use other sources of funding consistent with the terms of those programs. However, an airport sponsor may not invoice under its CARES Act Airport Grant for expenses that have been reimbursed under another program.

### **Questions on Allocation Formulas**

**Q-F1: What financial information is the FAA using to determine distribution of the 50% of the \$7.4 billion available under the CARES Act for commercial service airports that pertains to an airport's debt ratio?**

**A:** This information is taken from each commercial service airport sponsor's annual financial report. By law, since 1994, each commercial service airport must submit an annual financial report to the FAA. [FAA Advisory Circular \(AC\) 150/5100-19D, "Guide for Airport Financial Reports Filed by Airport Sponsors,"](#) provides detailed instructions on the use of the Certification Activity Tracking System (CATS), including how the system relates to government accounting requirements. Each airport must submit and certify its annual financial report within 120 days of the end of its fiscal year.

The FAA used the FY 2018 CATS data for all airports, reported as of March 14, 2020, to calculate allocations under the CARES Act formulas. The FAA is not accepting sponsor-requested amendments to certified CATS data for purposes of calculating CARES Act Airport Grants allocations. Where the FAA's preliminary review identified airports whose submissions raised technical issues, the FAA worked closely with those airports to address and correct those issues.

**Q-F2: What is the CARES Act phrase "each sponsor's ratio of unrestricted reserves to their respective debt service" intended to accomplish?**

**A:** In general, the higher an airport's reserves are, or the lower its debt service is, the more it may be allocated under this ratio.

**Q-F3: Why did some sponsors of non-primary commercial service airports receive a CARES Act Airport Grant allocated under Group 2 (commercial service airports) and some under Group 4 (general aviation airports)?**

**A:** When calculating CARES Act allocations for non-primary commercial service airports with relatively few passenger boardings, which also are categorized in the NPIAS Report as National, Regional, Local, or Basic, the FAA awarded the allocation under either the Group 2 or Group 4 calculation, depending on which calculation resulted in a larger award. This approach facilitated similar treatment for similarly situated airports.

**Q-F4: How did the FAA use the NPIAS airport categorization to determine CARES Act allocations for general aviation airport sponsors?**

**A:** Under the CARES Act, not less than \$100 million was allocated to general aviation airports based on the categories in the current [NPIAS Report to Congress 2019-2023](#), issued September 26, 2018. [FAA Order 5090.5, Formulation of the NPIAS and ACIP](#) defines the criteria for each category or role. Categories and roles in the Report were determined using validated data available through February 2018.

Under the formula described in subparagraph (4) of the answer to Q6 above, providing for allocation based upon NPIAS categories: National airports received \$157,000; Regional airports received \$69,000; Local airports received \$30,000; Basic airports received \$20,000; and Unclassified airports received \$1,000.

Because of activity changes at an airport since the publication of the Report, an airport's category may change in the next Report, which will be issued later in 2020. Nevertheless, such changes do not alter the allocation formula prescribed by the CARES Act.

### **Questions on Grant Application and Agreement**

**Q-GA1: Is a grant application required to receive CARES Act Airport Grants?**

**A:** Yes, with one exception. After the Secretary of Transportation announced awards under the CARES Act on April 14, 2020, each airport sponsor was provided an opportunity to submit a grant application. However, airport sponsors do not need to apply for the increased Federal share of FY 2020 AIP or FY 2020 Supplemental Discretionary grants. An airport sponsor may contact its Airports District Office or Airports Regional Office if it seeks specific guidance on its grant application.

**Q-GA2: Will the FAA use a standard grant application form or one specifically designed for this program?**

**A:** The FAA will use the Office of Management and Budget (OMB) SF-424, *Application for Federal Assistance*.

**Q-GA3: When will CARES Act Airport Grant applications be available and how long after filing a complete application should an airport sponsor expect to receive a grant?**

**A:** The FAA will provide this application to airport sponsors through the local Airports District Office or Airports Regional Office shortly after the Secretary announces CARES Act Airport Grants awards. The FAA anticipates providing a grant agreement for execution within days of receiving a complete application.

**Q-GA4: Will the FAA use a standard AIP grant agreement or one specifically designed for this program?**

**A:** The FAA will provide a simplified Grant Agreement shortly after it receives an application. This simplified agreement includes the requirements under the CARES Act and makes funds immediately available for expenses, other than airport development, including payroll, debt service, utility expenses, service contracts, and supplies.

**Q-GA5: Does a CARES Act Airport Grant require an airport sponsor to obligate itself to the standard set of FAA Airport Sponsor Grant Assurances?**

**A:** Generally, no. If an airport sponsor uses its CARES Act Airport Grant for operational expenses, the standard FAA Airport Sponsor Grant Assurances do not apply. The CARES Act Airport Grants for operational expenses remain subject to audit, reporting, records retention, and other requirements under 2 CFR part 200 like other Federal grant funding. Some laws outside of 49 U.S.C. chapter 471 also apply, such as 49 U.S.C. 40103(e), which prohibits the grant of an exclusive right to conduct any type of aeronautical activity at an airport, and Title VI of the Civil Rights Act, which prohibits discrimination on the basis of race, color, or national origin. If an airport sponsor uses its CARES Act Airport Grant for new airport development, additional requirements apply (see Q10). Additionally, CARES Act Airport Grant funds may be used only for the capital and operating expense of the airport. Examples of expenditures that FAA has found to be allowable are provided in the [FAA Revenue Use Policy](#). The CARES Act does not, however, void assurances made in prior grant agreements; therefore, a sponsor's pre-existing grant assurances and Federal obligations continue to apply.

**Q-GA6: How long do the grant assurances remain in effect for a CARES Act Airport Grant Agreement for an airport's operational and maintenance expenses or debt service payments?**

**A:** The grant assurances remain in effect for four years from the date of acceptance of the grant offer, which is consistent with the period of performance.

**Q-GA7: How does an airport sponsor use CARES Act Airport Grants funds for airport development?**

**A:** An airport sponsor seeking to use its grant funds for near-term airport development, such as construction projects for the airfield, apron, terminal, parking, or access roads, may amend its initial CARES Act Airport Grant Agreement and execute a Development Addendum. This process ensures that a

sponsor understands the additional reviews and requirements involved (discussed in Q10). An airport sponsor should be able to complete airport development projects within the four-year period of performance. An airport sponsor should not delay or forgo expenditure of grant funds for ongoing airport operations and maintenance expenses, which are the primary purpose of CARES Act Airport Grants.

**Q-GA8: Should an airport sponsor request its full CARES Act Airport Grants award amount even if it intends to use a portion of those funds for airport development?**

**A:** Yes. An airport sponsor should include the full award amount in its grant application. All funds then would be available immediately for operational and maintenance expenses or debt service payments. An airport sponsor can later request a Development Addendum and use some of those funds for airport development.

**Q-GA9: What information is required for a Development Addendum?**

**A:** An airport sponsor seeking to use its grant funds for airport development should be prepared to provide its local Airports District Office or Airports Regional Office with the following information:

- Application form (Application for Federal Assistance, SF-424) for the proposed development project;
- A description of project;
- Estimated costs; and
- Timeline for completion.

An airport sponsor should also complete the following steps for the airport development project:

- Complete any standards, airspace, and environmental reviews or approvals including airport geometry assessments, if applicable;
- Complete any other approvals required for the development with the FAA and other agencies;
- Ensure the proposed development is consistent with the approved Airport Layout Plan (ALP) and depicted on the ALP;
- Initiate safety-risk and construction phasing reviews, if applicable; and
- Bid the project to determine the amount to be amended from the initial CARES Act Airport Grant and added to the Development Addendum.

The FAA recognizes that some proposed development projects have completed many or all of these steps, and those projects may be most suitable for a Development Addendum. Grant agreements for these proposed development projects will include additional requirements as described in Q10.

## Questions on Invoicing and Payments

**Q-I1: How will an airport sponsor submit payment requests for CARES Act Airport Grants?**

**A:** The FAA will use the existing U.S. Department of Transportation Delphi eInvoicing system for payment requests. Airport sponsors will continue the current practice of submitting underlying payment request documentation from the provider of goods or services. The FAA will review invoices manually to ensure adequate oversight, but it will process payments quickly.

**Q-I2: What documentation is required to support CARES Act Airport Grants request for payment?**

**A:** Examples of underlying payment request documentation are:

- Invoices (demonstrating that the goods or services provided directly relate to the airport);
- Bills (demonstrating that the goods or services provided directly relate to the airport);
- Time and effort reports;
- Payroll reports from the payroll system of record;
- General ledger reports and subsidiary ledger reports;
- Current and approved indirect cost rate agreement; or
- Most recently approved local or statewide cost allocation plan.

**Q-I3: Can an airport sponsor submit a copy of a monthly payroll report as supporting documentation?**

**A:** Most likely yes, provided it captures payroll costs at a level sufficient to distinguish funding sources, hours worked, and program/project/tasks/activities completed, and excludes payroll costs incurred prior to January 20, 2020. The FAA suggests providing details on any cost or funding codes that may not be readily identified.

**Q-I4: Can an airport sponsor request 100 percent of the available CARES Act Airport Grant funds and use the funds to pay expenses over the next several months?**

**A:** No. Payment requests must be submitted for incurred expenses only. Requesting funds for reimbursement prior to incurring the invoiced expense is not consistent with the [FAA's Payment Policy](#) and will result in an improper payment that may have to be repaid.

## Questions on Use of Funds

- Q-U1: Can CARES Act Airport Grants funds be used to purchase an aviation or aviation easement?**
- A:** Yes, provided the purchase is consistent with 49 U.S.C. 47107(b) and (k)(2) (i.e., the expenditure is an airport operating cost that reflects the value received). Examples of expenditures that FAA has found allowable are provided in [the FAA Revenue Use Policy](#). The airport sponsor should consult with its local Airports District Office or Airports Regional Office because this purchase could be considered “airport development” and subject to additional requirements. See Q10.
- Q-U2: Can CARES Act Airport Grants funds be used to accelerate structured settlement agreements or pay the penalty for early defeasement of debt?**
- A:** Yes, provided the use of funds is consistent with 49 U.S.C. 47107(b) and (k)(2) (i.e., the expenditure is an airport operating cost that reflects the value received). Examples of expenditures that FAA has found allowable are provided in [the FAA Revenue Use Policy](#). If any part of the debt had been approved for Passenger Facility Charge (PFC) collections, the airport sponsor may have to amend its PFC approval to reflect the change.
- Q-U3: Can CARES Act Airport Grants funds be used for a surface access project (roads or rail/transit)?**
- A:** Yes. This use is airport development and, therefore, additional requirements apply. See Q10.
- Q-U4: Can CARES Act Airport Grants funds be used to prepay long-term contracts (for example, shuttle-bus operators, janitorial services, security services, fire and police services)?**
- A:** Yes, provided the prepayment is a *bona fide* transaction where the sponsor receives the benefit of the prepaid services and receives some value in exchange for committing in advance.
- Q-U5: Can CARES Act Airport Grants funds be deposited in the airport sponsor’s general reserve account (or invest them for future use)?**
- A:** No. The FAA would not be able to ensure a potential future use is a use consistent with the CARES Act requirements. Airports should submit invoices and underlying documentation for airport expenditures. See Q-GA6.
- Q-U6: Can CARES Act Airport Grants funds be used to help bolster the local government’s pension fund?**
- A:** Generally, no. However, if a portion of the fund has historically been supported by the airport and the support is proportional to the share paid to airport retirees, then the airport should consult with its local Airports District Office or Airports Regional Office, to determine if such a use is appropriate.

**Q-U7: Can CARES Act Airport Grants funds be used to reimburse operational and maintenance expenses?**

**A:** Yes. The FAA will reimburse sponsors for operational and maintenance expenses directly related to the airport incurred on or after January 20, 2020. Operational expenses are those expenses necessary to operate, maintain, and manage an airport. They include expenses such as payroll, utilities, service contracts, and items generally having a useful life of less than one year, including personal protective equipment and cleaning supplies.

**Q-U8: Is there a limit on how much CARES Act Airport Grants funding may be used for operational and maintenance expenses?**

**A:** No. An airport sponsor may use all of its CARES Act Airport Grants funds for allowable airport operational and maintenance expenses or debt service payments.

**Q-U9: Can CARES Act Airport Grants funds be used to reimburse debt service payments?**

**A:** Yes. The FAA will reimburse sponsors for debt service payments directly related to the airport that are due on or after March 27, 2020, which is the date of enactment of the CARES Act. This date applies for all CARES Act Airport Grants regardless of the date specified in those grant offers, and airport sponsors do not need to execute a grant amendment to invoice debt service payments due on or after March 27, 2020.

**Q-U10: Can CARES Act Airport Grants funds be used to reimburse monthly payments into a debt service reserve fund?**

**A:** Yes. The FAA will reimburse sponsors for monthly payments into a debt service reserve fund (also called a debt service sinking fund or similar name), which are directly related to the airport, that are due on or after March 27, 2020, which is the date of enactment of the CARES Act. The airport sponsor must ensure that these payments are restricted to only debt service payments. The airport sponsor will continue the current practice of submitting underlying payment request documentation. This documentation should show the monthly payment, and the airport sponsor should follow up with documentation once the semiannual payment is made.

**Q-U11: Can CARES Act Airport Grants funds be used to reimburse lost revenue?**

**A:** No. CARES Act funds are available to reimburse operational expenses, debt service payments, and capital expenditures directly related to the airport. Lost revenue is not an eligible airport sponsor expense, and the airport sponsor does not need to identify any amount or type of lost revenue as part of its grant application, grant agreement, or invoice.

**Q-U12: Can CARES Act Airport Grants funds be used to reimburse the local share on previously awarded AIP or Supplemental Discretionary grants?**

**A:** Yes, with several limitations. CARES Act Airport Grants funds are available to reimburse eligible expenses, such as the local share, of a previously awarded AIP

or Supplemental Discretionary grant provided the reimbursed expenses are directly related to the project approved under the grant, and the expenses are incurred on or after March 27, 2020. An airport sponsor should contact its local Airports District Office or Airports Regional Office prior to submitting a request for payment for these expenses to ensure adequate underlying documentation.

**Q-U13: Can CARES Act Airport Grants funds be used to match other Federal funds?**

**A:** If a Federal program explicitly allows other Federal funds to be used as match, and the project meets all requirements of the participating Federal agencies, then CARES Act Airport Grants funds may be eligible to match grants under such a program. Although CARES Act Airport Grants funds are available for any purpose for which airport revenues may be used, these funds are Federal financial assistance.

**Q-U14: Can CARES Act Airport Grants funds be used to reimburse for a cost associated with an aeronautical service or product provided by the airport sponsor?**

**A:** Yes, in certain circumstances. CARES Act Airport Grants funds are available to reimburse the costs associated with aeronautical products or services offered by the airport sponsor but only when the sponsor certifies it is the only provider of the same product or service at the airport. These services include aviation fuels, equipment, parts, supplies, and facilities for aircraft storage or maintenance. Costs associated with flight training or aviation training are not eligible for reimbursement.

### **Questions on Grant Closeout**

**Q-C1: What are the procedures for closing out a CARES Act Airport Grant for non-development expenses?**

**A:** Airport sponsors will submit a comprehensive narrative report via the U.S. Department of Transportation Delphi eInvoicing system. The narrative report will: (a) summarize the non-development expenses covered under the grant; (b) certify all expenses were incurred in accordance with the [FAA's Revenue Use Policy](#) and [2 CFR part 200](#); (c) certify that any equipment or services were procured in a manner consistent with the terms of the grant; (d) certify that operational expenses were incurred on or after January 20, 2020; (e) certify that debt service payments were due on or after March 27, 2020; and (f) submit a completed Standard Form 425, Federal Financial Report. Approval of the final payment request will follow a review of the airport sponsor's closeout report.

### Questions on Environmental Review

**Q-E1: Are there any environmental requirements associated with increases to 100% Federal share for FY 2020 AIP grants?**

**A:** All projects funded for AIP and Supplemental Discretionary grants under FY 2020 appropriations continue to be subject to environmental requirements. However, no additional environmental analysis is required for the Federal share increase.

**Q-E2: Are there any environmental review requirements associated with non-construction grants for airport operating expenses and debt service?**

**A:** No. These types of grants have no potential to impact the environment, and therefore are not major federal actions subject to National Environmental Policy Act (NEPA) review.

### Questions on Administration under the State Block Grant Program

**Q-SB1: What is the State Block Grant Program (SBGP)?**

**A:** In 1987, Congress authorized the FAA to use State block grants to provide AIP funds to airport sponsors. Through the State Block Grant Program (SBGP), the FAA provides funds directly to States that participate in the program. In turn, SBGP participants fund and oversee AIP projects to non-primary commercial service, reliever, and general aviation airports. The program currently includes the following 10 States: Georgia, Illinois, Michigan, Missouri, New Hampshire, North Carolina, Pennsylvania, Tennessee, Texas, and Wisconsin.

**Q-SB2: How will the FAA Administer CARES Act funding for States participating in the SBGP?**

**A:** The FAA Airport Improvement Program Branch (APP-520) will utilize its existing relationships with the States participating in the SBGP for administration of CARES Act Airport Grants. These participants have relationships with airport sponsors within their States and currently provide grant management and internal controls. Leveraging this infrastructure will facilitate efficient and expedient distribution of funds.

**Q-SB3: Will FAA Regional and Airport District Offices remain the points-of-contact for CARES Act Airport Grants?**

**A:** Yes. States participating in the SBGP should continue to work with their local Airports District Office or Airports Regional Office throughout CARES Act Airport Grants implementation and administration.

**Q-SB4: Do CARES Act Airport Grants funding allocations work differently for the SBGP?**

**A:** No. The FAA will calculate each airport sponsor's allocation based on formulas in the CARES Act. The Secretary of Transportation will announce these award amounts along with all awards under the CARES Act Airport Grants program.

**Q-SB5: How much CARES Act funding may States participating in the SBGP distribute?**

**A:** The CARES Act provides for specific allocations to each airport sponsor. The FAA will aggregate the amounts announced for each airport sponsor into one State award.

**Q-SB6: How may States participating in the SBGP allocate CARES Act Airport Grants?**

**A:** States participating the SBGP must make sub-awards to each airport sponsor based on that sponsor's allocation under the CARES Act. The FAA expects States to make these sub-awards on an expedited basis, for airport sponsors to spend funds quickly, to reduce the adverse impacts of the current public health emergency. States must follow 2 CFR part 200 requirements for CARES Act Airport Grants and sub-awards. Funds not expended within the four-year period of performance are subject to recovery by the FAA.

**Q-SB7: What application and grant agreement will be used for sub-grants?**

**A:** States participating in the SBGP will use a streamlined application and grant agreement process similar to what the FAA is using for all CARES Act Airports Grants. The FAA will provide States with template documents after these grants are announced.

**Q-SB8: Can States participating in the SBGP mix FY 2020 AIP funds and additional funds to increase the Federal share under the CARES Act?**

**A:** No. The (1) FY 2020 AIP and Supplemental Discretionary funds are separate from the (2) CARES Act funds to increase the Federal share. States must separately account for the two different funding sources as they are drawn down to ensure each appropriation is spent as intended.

**Q-SB9: What if my State legislature needs to approve the acceptance of CARES Act funding?**

**A:** The FAA recommends that States participating in the SBGP use their usual State processes to approve, accept, and administer Federal funds.

**Q-SB10: Can CARES Act Airport Grants be sub-awarded to airport sponsors that had previously opted out of the SBGP?**

**A:** No. States participating in the SBGP do not have to make sub-awards to airport sponsors that opted-out in FY 2020 or do not participate in the SBGP. The FAA will administer grants for those airport sponsors.

**Q-SB11: What are the reporting requirements for CARES Act Airport Grants?**

**A:** States participating in the SBGP will continue the current practice of providing sub-award reporting information on CARES Act Airport Grants to the FAA upon request.

**Q-SB12: Will CARES Act Airport Grants require end-of-fiscal-year reporting like other AIP funding?**

**A:** Yes. CARES Act Airport Grants funds will be included in the Annual Report of Federal Funding at the end of FY 2020.

**Q-SB13: How will payment requests be submitted for CARES Act Airport Grants?**

**A:** The FAA will use the existing U.S. Department of Transportation Delphi eInvoicing system for payment requests. States participating in the SBGP will continue the current practice of retaining all underlying payment request documentation and complete records.

**Q-SB14: Will the FAA audit CARES Act Airport Grants administered by States participating in the SBGP?**

**A:** Yes. The FAA will include audits of CARES Act Airport Grants in its annual audit process.

**Q-SB15: Must States apply for CARES Act funds to increase the Federal share of FY 2020 AIP and Supplemental Discretionary grants?**

**A:** No. States participating in the SBGP do not need to apply for CARES Act funds to increase the Federal share. The FAA will allocate CARES Act funds to each State participating in the SBGP based on the amount of funds estimated to provide a 100 percent Federal share for grants awarded in FY 2020. Considering that each State participating in the SBGP has its own fiscal year and experiences necessary lag in sub-awarding grants to airport sponsors for specific projects, States may use CARES Act funds to match any sub-awards made after March 27, 2020, the date of enactment for the CARES Act, even if those projects were included in FAA awards during prior fiscal years.