

STATEWIDE AVIATION GRANT PROGRAM

AIP ELIGIBLE PROJECTS

Guide for Grant Sponsors



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Effective: February 1, 2018

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***** GENERAL *****

Maryland Department of Transportation Maryland Aviation Administration's (MDOT MAA) Statewide Aviation Grant Program offers financial assistance to licensed public-use airports receiving eligible funds through the Federal Aviation Administration (FAA) funded Airport Improvement Program (AIP). MDOT MAA grant program is structured to provide half of the local share of an AIP eligible project.

This guide has been assembled to provide Airport Owner (Sponsor) with an easy-to-understand description of the financial assistance available under the MDOT MAA grant program. It also provides important information regarding eligibility requirements, application procedures and payment procedures associated with an airport improvement grant.

Aviation grant funds are made available through the State's annual budget process. Appropriation for an individual airport project will be administered by MDOT MAA's Office of Regional Aviation Assistance (ORAA). Funding is limited to half the Sponsor's share of an AIP eligible project. Certain projects may be considered for Bridge Grant funding. Refer to Appendix A for more detail.

The State grant agreement is separate from the agreement between Sponsor and FAA. However, the Sponsor must coordinate every phase of the airport's development plan and communicate with MDOT MAA all AIP eligible grant projects. Failure of the Sponsor to communicate and coordinate with MDOT MAA will jeopardize available State funds.

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*** PROJECT PLANNING ***

1. Sponsors must coordinate future project needs with MDOT MAA at the same time as coordination with FAA. Multi-phase projects require greater planning effort from Sponsor to ensure maximum State funding assistance can be programmed. Late coordination with MDOT MAA jeopardizes funding available.
2. Sponsors are required to include MDOT MAA in Airport Capital Improvement Program (ACIP) development. MDOT MAA recommends showing all capital improvement projects at your airport, including Federal, State-only and Local-only funded type of projects. A comprehensive ACIP allows MDOT MAA to consider funding assistance for various projects. Updates to the ACIP shall be forwarded to MDOT MAA.
3. Grant eligibility of various project costs need to be determined in advance of grant application. Sponsor should proactively exercise their authority to review and negotiate fees. Airport Cooperative Research Program Report 87, *Procuring and Managing Professional Services for Airports*, complements FAA Advisory Circular 150/5100-14E (or its recent revision) in the Sponsor's management of engineering services.
 - a. Architectural/Engineering (A/E) services and fees require MDOT MAA review and consent prior to grant application. Provide scope, fee summary, hourly rates as well as fee schedule in Sponsor submission to MDOT MAA. Delayed submission will delay MDOT MAA review.
 - i. Project Administration (PA) fees are capped at 12% of the total A/E service fee (including A/E subs, fixed fee, overhead and profit).
 1. If PA fees exceed 12% of total A/E fee, then the total A/E fee will not be MDOT MAA grant eligible. Sponsor must reduce grant request accordingly.
 - ii. Profit for A/E services are capped at:
 1. 15% of total labor fee for construction administration; and
 2. 10% of total labor fee for design, planning, environmental or land acquisition services.
 3. Total labor includes fully loaded or audited overhead rates.
 4. Profit calculations on fixed expenses (travel, per diem, printing, mailings, etc.) is not MDOT MAA grant eligible.
 5. Profit calculations on subconsultant cost (also known as mark-up) is not MDOT MAA grant eligible.
 6. If profit exceed (1) or (2) and/or includes a mark-up, then the **total** A/E fee will not be MDOT MAA grant eligible.

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***** APPLICATION PROCEDURES *****

1. A formal application for an MDOT MAA grant, in parallel to an AIP grant must be submitted. Supporting information, to include the FAA grant application is necessary. Submit application to MDOT MAA Office of Regional Aviation Assistance.
2. State grant application must be submitted at same time as FAA grant application is submitted.
3. Sponsor should include the following information in the application:
 - a. Project description and benefits to be derived; i.e., what the airport wants to do, why the airport wants to do it, proposed timeline and benefits for the airport and community.
 - b. Project schedule (including major milestones).
 - c. Exhibit(s) of project work area(s), drawing(s), and/or photos.
 - d. Grant amount requested (include both % of total project and dollar amount).
 - e. Copy of FAA AIP grant application.
4. After Sponsor executes FAA grant offer, 1 copy of signed AIP grant offer must be forwarded to MAA.
5. Upon receipt of fully executed FAA grant offer, MDOT MAA will initiate the State Grant Agreement for approval. A fully executed FAA grant offer is one that has obtained signatures from responsible officials of both FAA and Sponsor.
6. Steps in the MDOT MAA grant approval process:
 - a. Grant agreement circulated through MDOT MAA for draft coordination and approval (3-4 weeks);
 - b. Four copies of grant agreement sent to Sponsor for review and signature (3-4 weeks);
 - c. Signed copies returned to MDOT MAA for final approval by MDOT MAA and MDOT Secretary, (3-4 weeks);
7. Distribution of the signed grants:
 - ✓ 2 copies to the Sponsor
 - ✓ 1 copy to the MDOT MAA, Office of Regional Aviation Assistance
 - ✓ 1 copy to the MDOT MAA, Office of Finance and Administration
8. Grant agreement review, and full execution takes 3-4 months on average.

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*** REIMBURSEMENT PROCEDURES ***

NOTE:

1. All drawings, reports, correspondence(s) and/or reimbursement requests must include respective MDOT MAA grant number.
2. Any costs incurred prior to grant execution will not be eligible for reimbursement unless prior arrangements have been coordinated with MDOT MAA and concurrence received. Sponsor maintains full obligation and risk until the grant agreement is finalized.
3. All grant reimbursement requests should include:
 - a. Cover letter highlighting:
 1. progress/completion to date;
 2. project schedule update;
 3. cost update;
 4. any unexpected delays and or changes to scope, cost or schedule.
 - b. Copy of reimbursement request to FAA (including Delphi screen image and SF-270 or SF-271); and
 - c. Copy of other relevant material associated with reimbursement request.
4. All Federal reimbursements are distributed directly to the Sponsor via the US Department of Transportation's Delphi e-invoice processing system.
5. Sponsor must provide copy of Delphi e-invoice payment showing payment date from FAA to Sponsor. See Appendix B. Sponsor may submit state share reimbursement request and copy of Delphi payment record under single cover or separate cover.
6. State share of reimbursement shall be proportionate to FAA reimbursement amount and commensurate to terms of State grant agreement. State amount will be rounded to nearest cent in accordance with general accounting practices.

MDOT MAA PAYMENT PROCESS:

1. Upon receipt of State reimbursement request, ORAA will ensure accuracy of submitted material. **Any questions will be forwarded to airport contact for resolution;**
2. ORAA will authorize release of funds via a memo to MDOT MAA's Accounts Payable Manager;
3. MDOT MAA Accounting will validate funds and instruct State Treasurer's office to release funds;
4. State Treasurer's Office will make electronic payment to Sponsor.

The payment process averages 2-3 weeks for electronic payment and 3-4 weeks for a check, so please be patient.

Should a specific reimbursement request require an adjustment after payment is made, MDOT MAA will adjust future payments in synch with adjustment to FAA reimbursement.

State reimbursement to Sponsor may include an amount combining several grant reimbursement requests. Sponsor is strongly recommended to develop a grant tracking system if many grants are open at a single time.

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*** GRANT COORDINATION ***

1. Grant agreement terms require Sponsor to provide project correspondences. Ensure all correspondences (letters, reports, drawings, change orders, etc.) from Sponsor or Sponsor's Engineer includes the appropriate MDOT MAA grant number.
2. Project meetings and/or updates shall be coordinated in advance with the MDOT MAA. Allow 3 weeks for meeting scheduling.
3. If the Sponsor has an executed FAA AIP grant offer but not the State grant agreement and elects to issue a Notice to Proceed (NTP) then Sponsor must be prepared to absorb all local share costs. Once the State grant agreement is signed, MDOT MAA will reimburse earlier reimbursement requests.

If the state grant agreement is not signed, MDOT MAA has no obligation to the Sponsor for incurred costs.

4. Project change orders:
 - a. In accordance with MDOT MAA grant agreement terms, Sponsor is required to inform MDOT MAA of any changes to project scope, cost or schedule.
 - b. Coordinate through MDOT MAA-ORAA for contract change order review and approval.
5. Grant Overrun
 - a. A formal grant addendum is needed to receive funds over the original grant agreement. Sponsor must provide the same level of detail and supporting information for consideration of a grant addendum. State grant addendum will only be considered upon Sponsor's receipt of FAA grant amendment. State grant addendum requires the signatures of original grant agreement parties.
 - b. State share for eligible grant overrun costs are not guaranteed and subject to fiscal appropriation limits. State share of overrun cost less than \$2,000 will not be considered.
6. Grant Close-out
 - a. Final project report, as required to close out any AIP grant, should be copied to MDOT MAA and include the MDOT MAA grant number on report cover.
 - b. Upon receipt of FAA grant close-out letter, Sponsor should forward same to MDOT MAA with request to close out respective MDOT MAA grant.

- c. Sponsor is responsible to ensure all previous MDOT MAA reimbursement requests have been received and reconciled prior to MDOT MAA grant close-out.

* * *

***** ACCOUNTING AND AUDIT REQUIREMENTS *****

1. In accordance with grant terms, Sponsor must establish and maintain an adequate accounting record for each grant project. MDOT MAA may request these records to verify the eligibility of all incurred costs charged against the grant.
2. The Sponsor shall retain documentary evidence such as invoices and cost estimates which support all reimbursement requests charged to State funds for a period of five years following the final grant payment.
3. Sponsor shall permit an authorized representative of the State access to any of Sponsor's records and documents that are pertinent to the grant.
4. Sponsor will benefit from accurate and transparent record keeping. Audit exceptions may trigger additional requirements to Sponsor for future grant requests. In severe audit exceptions, MDOT MAA retains discretion to cancel separate open grants.
5. If in doubt of any project and/or cost eligibility, please communicate with MDOT MAA early in the project effort.

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Appendix A

Bridge Grant – A Funding Alternative

Bridge Grant – A Funding Alternative

What: The following guidance is intended to complement the current MDOT MAA grant program guidance for AIP-eligible grants. The “bridge-grant” funding solution is designed to assist an eligible Sponsor that has an eligible federal project. However, due to funding limits at FAA, that respective project is programmed in a future year. By utilizing the bridge grant solution, Sponsor may utilize available State funds to complete the project today and seek FAA reimbursement tomorrow. The benefits for an airport are having a project completed in a quicker time and improve services to the flying public.

Who: Airport Sponsor in good standing with MDOT MAA and eligible to receive both MDOT MAA and FAA grants.

When: State fiscal year, subject to funding appropriations for MDOT MAA. Project completion is required within same FY.

Why: MDOT MAA understands a Sponsor may be ready to execute an eligible project but due to federal limits, federal funds may not be available until several years in the future. This delay could cause project cost increases as well as delays to the overall airport improvement plans. One alternative to the federal timetable is to utilize the MDOT MAA grant program to forward fund the federal share of an eligible project. Upon receipt of the Federal grant in a future year, the forward-funded federal portion would be returned to MDOT MAA. The bridge grant agreement will stipulate all terms.

How: Airport Sponsor shall coordinate, in advance, with both MDOT MAA and FAA on intent to utilize MDOT MAA Bridge Grant funding solution for an eligible project. Sponsor will be required to submit MDOT MAA grant request consistent to existing grant request procedures. In addition, Sponsor should obtain confirmation from FAA stating the project is eligible for future FAA grant funding.

Eligible Projects: Land acquisition services (appraisals, surveys);
Land acquisition (easements, fee simple);
Architectural/Engineering services.

Grant Terms: In addition to the grant terms in the standard MDOT MAA grant agreement, the bridge grant will require:

- Scope of Work (SOW), schedule and cost review and concurrence by MDOT MAA & FAA.
- Bridge grant terms will provide for 95% MDOT MAA grant.
- The state funds will be on a reimbursement basis. Sponsor should have adequate funds to pay for the project up front.
- Upon project completion, a final grant report should summarize the SOW completed, cost expended and reimbursed.
- SOW and all grant administrative steps (through close-out) should be completed prior to state fiscal year end in which bridge grant was issued.

- Upon receipt of FAA grant offer and subsequent FAA reimbursement of eligible costs, Sponsor shall refund MDOT MAA the FAA share consistent to bridge grant terms.
- Any costs deemed not eligible by FAA but paid by MDOT MAA under the bridge grant, will be due back to MDOT MAA from Sponsor upon receipt of FAA eligibility determination.
- Due to future FAA funding uncertainty, MDOT MAA bridge grant will not impose a timetable to refund federal share. MDOT MAA recognizes the need to be flexible. However, the Sponsor will be obligated to refund federal funds upon receipt.
- If Sponsor decides not to pursue development plan after completion of the bridge grant and/or has not received federal funds, Sponsor will be required to return the respective federal portion as defined in the bridge grant terms.

Appendix B

Sample Delphi e-invoice Screen
image



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Invoice Summary

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Simple Search

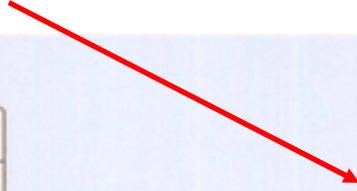
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Amount Due From	<input type="text"/>	Invoice Date From	<input type="text"/>
Amount Due To	<input type="text"/>	Invoice Date To	<input type="text"/>
		Due Date From	<input type="text"/>
		Due Date To	<input type="text"/>

[Go](#) [Clear](#)

Invoice Number	Invoice Date	PO Number	Grant Number	Invoice Amount	Status	Description	Type	Due Date	Paid Date	View
1	11.06.2012	EAG240025046	3-24-0025-046-2012	0.00	PAID	Standard	Standard	11.16.2012	11/08/2012	View

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Required Field



Sample Screen Image from Delphi e-invoice system