

STATE GRANT FUNDING FOR AIP ELIGIBLE PROJECTS

Guide for Grant Sponsors

Maryland Aviation Administration
Office of Regional Aviation Assistance
BWI Airport, Maryland, 21240
410-859-7064

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***** GENERAL *****

The Maryland Aviation Administration's (MAA) Statewide Airport Development Grant Program offers financial assistance to public-use airports receiving eligible funds through the FAA-funded Airport Improvement Program (AIP). The MAA program is designed to provide half of the project cost for the local share of an AIP project.

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

State funds are made available through annual budget authorizations. Appropriation for an individual airport project will be administered by the MAA's Office of Regional Aviation Assistance (ORAA). Funding is limited to half the Sponsor's share of an AIP eligible project.

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

*** APPLICATION PROCEDURES ***

1. An application for an airport development grant must be submitted via a formal letter from the Sponsor, with supporting information, to the MAA Office of Regional Aviation Assistance. A state grant application must be submitted when an FAA grant application is submitted.
2. Sponsor should include the following information in the application:
 - description of project and benefits to be derived; i.e., what the airport wants to do, why the airport wants to do it, proposed timeline and final benefits for the airport and community.
 - project plans, drawings, and/or sketches;
 - copy of FAA AIP grant application.
3. Upon receipt of fully executed FAA grant offer, the MAA will initiate the State Grant Agreement for approval.
4. Steps in the grant approval process:
 - (a) Grant agreement prepared by the ORAA and circulated through 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 for final approval by MAA and the Secretary, Maryland Department of Transportation (3-4 weeks);
 - (d) Distribution of the signed grants:
 - ✓ 2 copies to the Sponsor
 - ✓ 1 copy to the MAA, Office of Regional Aviation Assistance
 - ✓ 1 copy to the MAA, Office of Finance and Administration
5. Grant agreement review and full execution takes 3-4 months on average.

*** PAYMENT PROCEDURES ***

NOTE:

1. All correspondence(s) from Sponsor must include respective MAA grant number.
2. Any costs incurred prior to grant execution will not be eligible for reimbursement unless prior arrangements have been coordinated with the MAA and concurrence received. The airport still maintains full obligation and risk until the grant agreement is finalized.
3. All pay 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 pay request to FAA (including SF-270 or SF-271);
 - c. Copy of other relevant material associated with payment request.
4. All Federal reimbursements are distributed directly to the Sponsor. Coordination is in place between the FAA Washington Airports District Office and the MAA-ORAA for notice of FAA payment authorization and release of FAA funds. State audit process requires holding State share of reimbursement until confirmation that the related Federal payment has been authorized. Sponsor has responsibility to notify MAA-ORAA if State reimbursement is not received.
5. State share of reimbursement shall be proportionate to FAA reimbursement amount and limited to terms of State grant agreement. State amount will be rounded down to whole dollar.

PAYMENT PROCESS:

1. Upon receipt of MAA payment 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 MAA Accounts Payable Manager;
3. MAA Accounting will validate funds and instruct State Treasurer's office to release funds;
4. State Treasurer's Office will generate a check or make electronic payment to Sponsor. If a unique address is desired, airport must contact MAA with this information.

- The payment process averages 3-4 weeks for a check, so please be patient.
- Electronic transfer option is available for a quicker turnaround and is recommended. Please contact MAA, ORAA for more information.
- Should a respective payment require an adjustment, the MAA will adjust future payments in synch with the FAA's adjustment. Typically, in a direct draw down operation, the Sponsor will have to make adjustment to future pay request(s) should the MAA require adjustment to an earlier reimbursement.
- State reimbursement payment may combine several grant payment 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. Ensure all correspondences from Sponsor or Sponsor's engineer includes the appropriate MAA grant number.
2. Project meetings and/or updates shall be coordinated with the MAA.
3. If the Sponsor has an FAA 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, MAA-ORAA will be able to reimburse earlier payment requests. If the state grant agreement is not signed, the MAA has no obligation to the Sponsor for incurred costs.
4. Project change orders:
 - i. Please coordinate through MAA-ORAA for contract change order approval.
5. Grant Overrun
 - i. A formal grant addendum is needed to receive funds over the original grant agreement.
 - ii. Sponsor must provide the same level of detail and supporting information for consideration of a grant addendum.
 - iii. 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.
 - iv. State share for eligible grant overrun costs are not guaranteed and subject to fiscal appropriation limits.
 - v. Overrun costs less than \$1,500 will not be considered.
6. Grant Closeout
 - i. Final project report as required to close out any AIP grant should be copied to MAA

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

1. The Sponsor must establish and maintain an adequate accounting record for each grant project to allow the MAA 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 payment requests charged to State funds for a period of five years following the final grant payment
3. The Sponsor shall permit any authorized representative of the State access to any of its books, documents, papers and records that are pertinent to the grant.
4. The Sponsor will benefit from accurate and transparent record keeping. Any audit findings may trigger additional requirements to Sponsors on future grant requests and/or cancellation of any open grants.
5. If in doubt of any project and/or cost eligibility, please communicate with MAA-ORAA early in the project effort.

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