

# STATEWIDE AVIATION GRANT PROGRAM

## AIP ELIGIBLE PROJECTS

### Guide for Grant Sponsors

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**Maryland Aviation Administration**

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**\*\*\* GENERAL \*\*\***

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Maryland Aviation Administration's (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). 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 MAA program. It also provides important information regarding eligibility requirements, application procedures and payment procedures associated with an airport improvement grant.

State funds are made available through annual budget authorizations. Appropriation for an individual airport project will be administered by 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. The Sponsor must coordinate through MAA every phase of the airport's development plan as well as on all AIP eligible grant projects. Failure of the Sponsor to communicate and coordinate with MAA will jeopardize available State funds.

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## \*\*\* PROJECT PLANNING \*\*\*

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1. Sponsors must coordinate future project needs with 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 MAA jeopardizes funding available.
2. Sponsors are required to include MAA in Airport Capital Improvement Program (ACIP) development. 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 MAA to consider funding assistance for various projects. Updates to the ACIP shall be forwarded to MAA.
3. Grant eligibility of various project costs will be determined in advance of grant application.
  - a. Architectural/Engineering (A/E) services and fees require MAA review and consent prior to grant application. Provide scope, fee summary, hourly rates as well as fee schedule in Sponsor submission to MAA.
    - i. For MAA grant eligibility, Project Administration (PA) fees are capped at 12% of the total A/E service fee (including A/E subs, fixed fee, overhead and profit).
    - ii. If PA fees exceed 12% of total A/E fee, then the total A/E fee will not be MAA grant eligible.
    - iii. If Sponsor elects to maintain PA fees above 12%, Sponsor's grant application to MAA must adjust for the ineligible grant portion.
    - iv. MAA recommends each Sponsor exercise their authority to review and negotiate fees so the Sponsor can receive the maximum State eligible share.

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**\*\*\* APPLICATION PROCEDURES \*\*\***

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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.
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. 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 benefits for the airport and community.
  - b. Exhibit(s): project work area(s), drawings, and/or sketches;
  - c. Copy of FAA AIP grant application.
4. Upon receipt of fully executed FAA grant offer, 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.
5. Steps in the MAA 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 to MAA for final approval by MAA and Maryland Department of Transportation Secretary, (3-4 weeks);
6. 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
7. Grant agreement review and full execution takes 3-4 months on average.

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## \*\*\* REIMBURSEMENT PROCEDURES \*\*\*

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### NOTE:

1. All drawings, reports, correspondence(s) and/or reimbursement requests 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 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.

### 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 MAA's Accounts Payable Manager;
3. 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 or mail check to Sponsor address on file. If a unique address is desired, airport must contact MAA with detailed instructions.

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

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

State reimbursement amount may combine 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 \*\*\***

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1. Ensure all correspondences (letters, reports, drawings, change orders, etc.) from Sponsor or Sponsor's A/E firm includes the appropriate MAA grant number.
2. Project meetings and/or updates shall be coordinated in advance 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 reimbursement requests.

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

4. Project change orders:
  - a. In accordance with MAA grant agreement terms, Sponsor is required to inform MAA of any changes to project scope, cost or schedule. Please coordinate through 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 \$1,500 will not be considered.
6. Grant Close-out
  - a. Final project report, as required to close out any AIP grant, should be copied to MAA and include the MAA grant number on cover.
  - b. Upon receipt of FAA grant close-out letter, Sponsor should forward same to MAA with request to close out respective MAA grant.
  - c. Sponsor is responsible to ensure all previous MAA reimbursement requests have been received prior to MAA grant close-out.

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

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1. In accordance with grant terms, Sponsor must establish and maintain an adequate accounting record for each grant project. 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, MAA may cancel open grants.
5. If in doubt of any project and/or cost eligibility, please communicate with 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 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 MAA and eligible to receive both MAA and FAA grants.

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

**Why:** 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 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 MAA. The bridge grant agreement will stipulate all terms.

**How:** Airport Sponsor shall coordinate, in advance, with both MAA and FAA on intent to utilize MAA Bridge Grant funding solution for an eligible project. Sponsor will be required to submit 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 MAA grant agreement, the bridge grant will require:

- Scope of Work (SOW), schedule and cost review and concurrence by MAA & FAA.
- Bridge grant terms will provide for 95% 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 MAA the FAA share consistent to bridge grant terms.
- Any costs deemed not eligible by FAA but paid by MAA under the bridge grant, will be due back to MAA from Sponsor upon receipt of FAA eligibility determination.
- Due to future FAA funding uncertainty, MAA bridge grant will not impose a timetable to refund federal share. 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

#### Simple Search

Invoice Number

Amount Due From

Amount Due To

Grant Number/PO Number

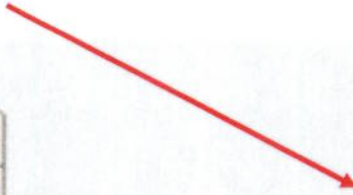
Invoice Date From

Invoice Date To

Due Date From

Due Date To

Required Field



Invoice Number	Invoice Date	PO Number	Grant Number	Invoice Amount	Status	Description	Type	Due Date	<a href="#">Paid Date</a>	<a href="#">View</a>
1	11.05.2012	EAG240025046	3-24-0025-048-2012	0.00	PAID	Standard		11.16.2012	11/08/2012	<a href="#">View</a>

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Sample Screen Image from Delphi e-invoice system