Frequently Asked Questions (FAQs)
Regarding the Proposed Transition in Section 5307 Administration

Funding & Suballocations

Q1. **What is the primary impact of the proposed transition in Section 5307 program administration being proposed by NCDOT?**

A1. NCDOT will remain the "Designated Recipient" of Section 5307 funds for small urbanized areas. This authority, by law, is strictly provided to the governors of each state. However, a designated recipient may name another public entity that is legally eligible to receive Section 5307 funds as a "Direct Recipient of funds under the program. NCDOT will designate each existing small UZA transit agency as a Direct Recipient.

Q2. **As a Direct Recipient, will my agency still apply to NCDOT for funds?**

A2. No. Each Direct Recipient will enter into an agreement that will specifically identify the small UZA agency as the Direct Recipient. Once executed, this agreement will enable the Direct Recipient to directly apply to the FTA for funds. An example of this agreement if found in FTA Circular 9030.1E, Appendix D-8.

Q3. **Does this mean my agency will only receive Section 5307 funding in the amount specified in the annual FTA apportionment tables?**

A3. Not necessarily. The Governor retains the authority to allocate funding to each small UZA. This annual process entails outreach and consultation with the affected jurisdictions and the provision of a "Split Letter" to the FTA Regional Office on amounts of Section 5307 to be made available to each UZA. It is NCDOT's goal to ensure, to the extent feasible, no entity is financially harmed in this transition effort.

Q4. **My agency passes FTA funds through to another organization to provide complementary paratransit services in our area. Will our status as a Direct Recipient impact this arrangement?**

A4. No. Direct Recipients are permitted to pass through FTA funds to another entity (subrecipient) to carry out a project eligible under Section 5307. For example, a Direct recipient might enter into a subrecipient agreement with a private nonprofit organization that is responsible for a job access and reverse commute project within or near the service area of the Direct Recipient.

Q5. **My agency has been successful in working with NCDOT in the past, enabling our organization to obtain funds allocated to another urbanized area that was about to lapse. Will we now have any authority to seek these lapsing funds directly from FTA?**

A5. No. The Governor retains control, by law, of all Section 5307 funds for small UZAs. This will not change with the program transition. Consistent with past practice, NCDOT will have an ongoing role in monitoring the status of fund utilization and will take all permissible steps to ensure that Section 5307 funds do not lapse. The same multitude of options to re-program potentially lapsing funds will remain unchanged.

Q6. **Will the MPO still be required to suballocate funds?**

A6. Ultimately, the Governor has authority to allocate Section 5307 funds in small urbanized areas. However, when an MPO is the planning agency for multiple small UZAs, the Governor will look to the MPO to develop a recommendation on how funds should be distributed to the respective recipients within the planning jurisdiction.

Q7. **Will my agency still receive a split letter from NCDOT?**

A7. Yes. The split letter is sent to FTA Region IV. A copy of this letter will be sent to all small UZAs and MPOs.

New Application Process

Q8. **Does this mean I will still submit applications to NCDOT?**

A8. No. Direct Recipients will apply for funds with FTA, using the TrAMS electronic portal.

Q9. **No one in our organization is familiar with the TrAMS platform nor do we have any current access. How will NCDOT ensure we get access to this platform so we can promptly submit applications and other critical documents?**

A9. All TrAMS users must establish an account with Login.gov. Login.gov is a federal multifactor authentication tool used by the public to sign in to participating government agency systems. After September 10, 2021, to log in using the Login.gov service, external users will each need to create a Login.gov account. Once a user logs into this portal, you will automatically be directed to the FTA's Appian platform which houses TrAMS. Each small urban entity will need to establish user credentials on the TrAMS platform. NCDOT is working to create a schedule that will ensure each entity is identified to FTA that will enable the agency to authorize the establishment of your accounts.

While the use of TrAMS may be new to your organization, FTA has available online training resources that will enable your system users to fully access and use the site. Please see the NCDOT resource page for further information on TrAMS.

Q10. Doesn't FTA impose additional burdens on Direct Recipients?

A10. No. In the past, NCDOT, acting as the Designated Recipient, had the obligation to ensure that all urbanized recipients of Section 5307 funds from the department complied with all FTA required elements. After the transition, FTA, not NCDOT, will have primary monitoring and oversight responsibility to ensure compliance with applicable laws, statutes, and regulations.

Claims & Reimbursements

Q11. How do we get reimbursed for eligible costs incurred under our grant agreement under this new arrangement? Will we invoice NCDOT?

A11. As a direct recipient, your agency will go through the Electronic Clearing House Operation System (ECHO) to electronically bill and get paid for eligible Federal share of project costs. This is a Web-based application system that processes draw-down payment requests and makes payments to FTA recipients. For further information on this process, refer to:

https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/ECHOWeb_User_Manual_Version_1_9_0 5232016.pdf

Q12. How frequently does FTA permit an entity to seek payment using the ECHO system?

A12. There are established rules on the frequency of drawdowns in the ECHO system. Direct Recipients should be aware, however, that they must follow disbursement guidelines in accordance with policies established in Department of Treasury Circular 1075, part 205, "Withdrawal of Cash from the Treasury for Advances under Federal Grant and Other Programs." Key elements of this policy are that when initiating cash drawdowns for immediate disbursement, the agency must not hold the money longer than three business days for disbursement. Federal assistance held more than three days must be returned to FTA along with any interest earned. Additionally, advance notification to FTA must be provided if a Direct Recipient intends to claim a disbursement totaling $50 million or more (an unlikely scenario for a small UZA).

Audits & Oversight

Q13. As a Direct Recipient, will my agency be subject to Triennial Reviews?

A13. Yes.

Q14. If my agency becomes a Direct Recipient and also continues to receive funding under 49 U.S.C § 5311, will my agency be subject to both Triennial Reviews and NCDOT Proficiency Reviews?

A14. Yes. However, NCDOT will not duplicate the efforts expended in the conduct of the Triennial Review. NCDOT has a statutory obligation to conduct oversight of its Section 5311 subrecipients, but will rely on the results of the Triennial Review when evaluating common subject areas, such as Financial Management, Technical Capacity, or Civil Rights. NCDOT plans to

Roles & Responsibilities

Q15. In our research, our agency found a New Recipient Handbook published by FTA Regional IV. This handbook suggests that each urban system subject to this transition will have to submit a significant amount of information to FTA before we can be a Direct Recipient. Is this interpretation correct?

A15. This is partially correct. This handbook outlines requirements for an entity that has never previously been a recipient of FTA funds. As that is not the case for the group of small UZAs subject to the transition, your organization already has developed virtually all of the documentation you cite in this handbook. NCDOT has long modeled its grant requirements on those of the FTA; NCDOT will work with each system to ensure that FTA is provided documentation to demonstrate the entity's legal, technical, and procurement capacity, along with evidence of compliance with Civil Rights requirements.

Q16. What impact will this transition have on the role of the MPO?

A16. The role of the respective MPOs will be relatively unchanged. FTA notes, that with respect to Section 5307 administration, MPOs must:

- Offer recommendation and concur on the selection of the entity that will serve as the Direct Recipient within the UZA
- Coordinate with NCDOT in formulating the recommended allocations of Section 5307 funds to small UZAs
- Identify projects (capital, operating, etc.) that will be included in the short-range transit plan, TIP, and/or unified planning work program (UPWP)

- Adopt UPWPs that include a list of planning projects, scopes, and related costs.
- Ensure any NTI training funds are included in the TIP

Thus, only the first bullet point represents the primary change in MPO responsibilities associated with this transition.

Q17. **We have followed NCDOT guidance on public participation strategies in the past. How will this change when we become a Direct Recipient?**

A17. Federal transit law in 49 U.S.C. § 5307 imposes public participation requirements on recipients of Section 5307 funds. Federal transit law and joint FHWA/FTA planning regulations governing the metropolitan planning process require a locality to include the public and solicit comment when the locality develops its metropolitan long-range (twenty-year) transportation plan and its (four-year) metropolitan TIP. Accordingly, FTA has determined that when a recipient follows the procedures of the public involvement process outlined in the FHWA/FTA planning regulations, the recipient satisfies the public participation requirements associated with the development of the POP that recipients of Section 5307 funds must meet.

Q18. **Will NCDOT be publishing some schedule of activities associated with the transition?**

A18. Yes, NCDOT's consultant support team conduct formal education and outreach sessions for all impacted transit agencies. This includes the provision of a detailed timeframe for transition activities.

Q19. **Can there be more than one Direct Recipient in a small UZA?**

A19. Yes. additional entities can receive Section 5307 funds either through a pass-through arrangement or by requesting that NCDOT name multiple agencies as Direct Recipients. NCDOT expects the MPO to make recommendations to NCDOT when there are multiple public transit providers in a small UZA. NCDOT expects local officials and the respective public transit service providers, in cooperation with the MPO, to determine the allocation of Section 5307 funds.

Q20. **If we elect to pass-through Section 5307 funds to another public transit service provider in the UZA, will this arrangement be subject to FFATA reporting requirements?**

A20. Yes, any pass-through arrangement in excess of $30,000 will require the Direct Recipient to report the award information to the FFATA Subaward Reporting System (FSRS). This tool can be accessed directly at www.fsrs.gov and will serve as the collection tool for subaward data which will ultimately be distributed for publication and display on www.usaspending.gov/. Direct Recipients

are required to register with FSRS and file subaward reports by the end of the month following the month in which the Direct Recipient awards any subaward greater than $30,000.

Note: FFATA reporting obligations will not be impacted with this transition; the reporting requirement described above have been and will be in effect.

Contacts & Additional Support

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Reference Materials
NCDOT/IMD has prepared a guide to various reference documents that will facilitate the transition of small urbanized areas' roles in Section 5307 program management. Documents are organized by category, as follows:

- Governing Directives
- FTA Transit Award Management System (TrAMS)
- ECHO Process
- MPR/FFR Reports
- Triennial Review Process
- National Transit Database

Governing Directives

1. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:
   https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1

2. Section 5307 Program Guidance:
   https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FINAL_FTA_circular9030.1E_1.pdf

3. FTA Award Management (FTA Circular 5010.1E):
   https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/research-innovation/32136/5010-1e-circular-award-management-requirements-7-21-2017.pdf

4. Procurement:
   a. National Defense Authorization Act FAQs on prohibitions in purchases:
      https://www.transit.dot.gov/funding/procurement/frequently-asked-questions-regarding-section-7613-national-defense
   b. FTA Circular 4220.1F:
      https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Third%20Party%20Contracting%20Guidance%20%28Circular%204220.1F%29.pdf
   c. Best Practices Procurement Manual:
      https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/procurement/8286/fta-best-practices-procurement-and-lessons-learned-manual-2016.pdf

FTA Transit Award Management System (TrAMS)

5. FTA Login.gov:
   a. Registration
      https://www.transit.dot.gov/fta-web-policies/web-policies/how-register-and-sign-using-logingov
   b. Guide to Login.gov:
      https://www.transit.dot.gov/fta-web-policies/web-policies/quick-guide-logingov
   c. FTA Webinar on Login.gov
      https://www.transit.dot.gov/fta-web-policies/web-policies/fta-logingov-training-1
6. TrAMS User Guide:
   https://www.transit.dot.gov/sites/fta.dot.gov/files/2021-09/TrAMS-User-Guide-v2-2.pdf
7. TrAMS User Manager Handbook
   https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/grantee-resources/teamtrams/22891/grantee-user-manager-handbook-version-13.pdf
8. TrAMS User Roles/Roles Management Guide
   https://www.transit.dot.gov/funding/grantee-resources/teamtrams/user-guide-federal-access-control-and-entry-system-faces
9. TrAMS Basic Training
   https://www.transit.dot.gov/funding/grantee-resources/teamtrams/trams-basics-training-recipients
10. Recipient Profile Management
    https://www.transit.dot.gov/funding/grantee-resources/teamtrams/recipient-profile-and-team-info-trams
11. TrAMS User Groups Table

https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Recipient_Table_Updated_11.24.2014.pdf

12. Developing Grant Applications in TrAMS
https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/New_TrAMS_Applications_Stakeholders_Session.pdf

13. Delegation of Authority for PIN User Roles
https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Delegation%20of%20Authority%20Sample%20for%20PIN%20User%20Roles.pdf

14. Region IV TrAMS Overview
https://www.transit.dot.gov/sites/fta.dot.gov/files/2021-09/Region-IV-Post-Award-TrAMS-Training-January-2021.pdf

15. Grant Close-Out Procedures in TrAMS
https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/grantee-resources/teamtrams/134641/recipient-closeout-presentation-aug-7-2019.pdf

ECHO Process

16. Understanding ECHO and TrAMS
https://www.transit.dot.gov/sites/fta.dot.gov/files/Understanding%20ECHO%20and%20TrAMS%2006.27.2016%20%20slides%20only.pdf

17. ECHO User Manual
https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/ECHOWeb_User_Manual_Version_1_9_05232016.pdf

MPR/FFR Reports

18. FTA MPR/FFR Overview
https://www.transit.dot.gov/sites/fta.dot.gov/files/2020-08/Region-IV-FFR-MPR-Post-Award-Overview-May-2019.pdf

19. TrAMS Post Award Reporting
https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/grantee-resources/teamtrams/117571/trams-user-guide-vol-06-post-award-reporting.pdf

20. MPR/FFRs (Updated)
https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Milestone_and_Financial_Reports_V2.pdf

Triennial Review Process

21. Contractors Manual – Fiscal Year 2020[1]
https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/oversight-policy-areas/56711/fy20-comprehensive-review-contractor%E2%80%99s-manual.pdf

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[1] This manual is updated annually; recipients should check the FTA website for the latest version.

22. Triennial Review Mini-Workshop
    https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/regulations-and-guidance/safety/132601/triennial-review-mini-workshop.pdf
23. FTA 101
    https://www.transit.dot.gov/sites/fta.dot.gov/files/2021-09/Region-IV-FTA-101-January-2021.pdf

National Transit Database
24. Urban Module New ID Request Forms
    https://www.transit.dot.gov/ntd/urban-module-new-id-request-forms
25. 2020 NTD Reduced Reporting Policy Manual
    https://www.transit.dot.gov/ntd/2020-ntd-reduced-reporting-policy-manual
26. Uniform System of Accounts (USOA)
    https://www.transit.dot.gov/ntd/ntd-uniform-system-accounts