

## Frequently Asked Questions from FTA Grantees Regarding Coronavirus Disease 2019 (COVID-19)

<https://www.transit.dot.gov/frequently-asked-questions-fta-grantees-regarding-coronavirus-disease-2019-covid-19#COVID-19AdminRelief>

### Per the Emergency Relief Manual

[https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA\\_Emergency\\_Relief\\_Manual\\_and\\_Guide\\_-\\_Sept\\_2015.pdf](https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Emergency_Relief_Manual_and_Guide_-_Sept_2015.pdf)

**Not allowed** - Projects for which funds were obligated in an FTA grant prior to the declared emergency or major disaster – Operating and Capital (FY20 Grants)

**Allowed** –operating expenses and capital costs after Jan 20, 2020 directly related to COVID-19

- expenses directly related to responding to COVID-19 are considered emergency relief and eligible for Section 5307 or Section 5311 funds under the FTA’s Emergency Relief Program.
- operating expenses not directly related to responding to COVID-19, including maintaining regular or reduced service, at the standard Federal share for those recipients that are normally eligible for operating assistance.
- operating assistance projects and capital projects that do not involve a substantial change to the function, location, or capacity of an asset, exemptions from the TIP or the STIP requirements - Recipients must document the process used to comply with these requirements.

Projects funded with CARES Act funds that are administered under the 5307 Urbanized Area Formula Program that involve **substantial changes to the function, location, or capacity of transit system assets** are subject to all Program of Projects requirements (TIP and/or STIP). - Recipients must document the process used to comply with these requirements.

### Per 5311/5307 Guidance – Circular 9040.1G

[https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA\\_Circular\\_9040\\_1Gwith\\_index\\_-\\_Final\\_Revvised\\_-\\_vm\\_10-15-14%281%29.pdf](https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Circular_9040_1Gwith_index_-_Final_Revvised_-_vm_10-15-14%281%29.pdf)

**Eligible capital expenses** include the acquisition, construction, and improvement of public transit facilities and equipment needed for a safe, efficient, and coordinated public transportation system as well as certain other expenses classified as capital in Section 5302(3). – how does this purchase apply to period during COVID-19? Is there a substantial change to the function, location, or capacity of an asset?

**Operating expenses** are those costs directly related to system operations. At a minimum: fuel, oil, drivers’ salaries and fringe benefits, dispatcher salaries and fringe benefits, and licenses.

- States have the option of classifying certain other expenses as either operating or nonoperating expenses (i.e., project administration). The state may not count the same cost twice.
- States may treat maintenance as either operating or capital expenses for Section 5311 funding purposes.

**Only net operating expenses are eligible for assistance.**

- Net operating expenses are those expenses that remain after the provider subtracts operating revenues from eligible operating expenses, at a minimum, operating revenues must include farebox revenues. Farebox revenues are fares paid by riders, including those who are later reimbursed by a human service agency or other user-side subsidy arrangement.