

# 2021 CRRSAA Agreement

Subgrant # OZW-13021

The Michigan Department of Transportation, acting as a Federal Aviation Administration (FAA) Block Grant Program Participant, has executed FAA CRRSAA Grant Number 3-26-SBGP-130-2021. This Block Grant outlines specific requirements, terms, conditions, and assurances required of the Michigan Department of Transportation and any subordinate grant recipients.

This CRRSAA Agreement shall convey the specific requirements, terms, conditions, and assurances contained in FAA CRRSAA Grant Number 3-26-SBGP-130-2021 to County of Livingston, Michigan

hereafter referred to as "the SPONSOR" as a subgrant recipient of funds. FAA CRRSAA Grant Number 3-26-SBGP-130-2021 is attached to this CRRSAA Agreement.

The maximum obligation payable to the SPONSOR is \$ 23,000.00. The SPONSOR shall use these funds for any purpose for which airport revenues may be lawfully used. CRRSAA Grant subgrant recipients shall follow the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). The Revenue Use Policy defines permitted uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the funds received under 3-26-SBGP-130-2021 or any associated subgrants may not be used for any purpose not related to the airport.

The SPONSOR shall upload each payment request to MDOT's ProjectWise software. Each request shall include the following information:

- a) CRRSAA Reimbursement Request Form
- b) Summary Sheet

Once completed payment requests are received, MDOT will review, process, and submit the request to FAA via the Delphi Invoicing System.

**In addition to all specific requirements, terms, conditions, and assurances contained in FAA CRRSAA Grant Number 3-26-SBGP-130-2021, the Sponsor shall ensure strict adherence to the following audit requirements:**

1. The SPONSOR will establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this Agreement (RECORDS). Separate accounts will be established and maintained for all costs incurred under this Agreement.

2. The SPONSOR will maintain the RECORDS for at least six (6) years from the date of final payment made by MDOT under this Agreement. In the event of a dispute with regard to allowable expenses or any other issue under this Agreement, the SPONSOR will thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.
3. MDOT or its representative may inspect, copy, scan, or audit the RECORDS at any reasonable time after giving reasonable notice.
4. If any part of the work is subcontracted, the SPONSOR will assure compliance with sections (1), (2), and (3) above for all subcontracted work.
5. The SPONSOR agrees that the costs reported to MDOT for this Agreement will represent only those items that are properly chargeable in accordance with this Agreement. The SPONSOR also certifies that it has read the Agreement terms and has made itself aware of the applicable laws, regulations, and terms of this Agreement that apply to the reporting of costs incurred under the terms of this Agreement.
6. In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Agreement or questions the allowability of an item of expense, MDOT will promptly submit to the SPONSOR a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the SPONSOR at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the SPONSOR will (a) respond in writing to the responsible Bureau of MDOT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to MDOT a written explanation as to any questioned or no opinion expressed item of expense (RESPONSE). The RESPONSE will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the SPONSOR may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The RESPONSE will refer to and apply the language of the Agreement. The SPONSOR agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned or no opinion expressed cost.

MDOT will make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If MDOT determines that an overpayment has been made to the SPONSOR, the SPONSOR will repay that amount to MDOT or reach agreement with MDOT on a repayment schedule within thirty (30) days after the date of an invoice from MDOT. If the SPONSOR fails to repay the overpayment or reach agreement with MDOT on a repayment schedule within the thirty (30) day period, the

SPONSOR agrees that MDOT will deduct all or a portion of the overpayment from any funds then or thereafter payable by MDOT to the SPONSOR under this Agreement or any other agreement or payable to the SPONSOR under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by MDOT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The SPONSOR expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest MDOT's decision only as to any item of expense the disallowance of which was disputed by the SPONSOR in a timely filed RESPONSE.

The Sponsor agrees to comply with all portions of this Agreement.

Sponsor: \_\_\_\_\_

Authorized Sponsor Signatory: \_\_\_\_\_

Authorized Sponsor Signatory (Printed): \_\_\_\_\_

Date: \_\_\_\_\_

MDOT Signatory: \_\_\_\_\_

MDOT Signatory Printed: \_\_\_\_\_

Date: \_\_\_\_\_



## **Federal Aviation Administration**

### **Airport Coronavirus Response Grant Program** **Frequently Asked Questions**

This document answers frequently asked questions (FAQs) stakeholders may have related to the approximately \$2 billion in grants for airports under the Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (CRRSA).

The Federal Aviation Administration (FAA) has additional information for airport sponsors concerning COVID-19 available at [www.faa.gov/airports](http://www.faa.gov/airports).

The guidance here is not legally binding in its own right and FAA will not rely on it as a separate basis for affirmative enforcement action or other administrative penalty. Conformity with this guidance, as distinct from existing statutes, regulations, and grant assurances, is voluntary only, and nonconformity will not affect existing rights and obligations.

In addition to these grants, FAA is administering approximately \$10 billion in grants for airports under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. For information on CARES Act funding, please visit [https://www.faa.gov/airports/cares\\_act/](https://www.faa.gov/airports/cares_act/).

For questions related to either the CARES or CRRSA programs, please email [CARESAirports@faa.gov](mailto:CARESAirports@faa.gov).

**This update adds new question Q-I4. This update makes substantial revisions to questions Q-CR7 and Q-CR15. This update also includes clarifying edits to questions Q-GA17 and Q-CR2.**

These FAQs will be updated periodically.

### Questions on Use of Funds

**Q-U1: How can an airport sponsor use Airport Coronavirus Response Grant Program funds?**

**A:** An airport sponsor may use these funds for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. Grant recipients should follow FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 79 Federal Register 66282 (79 FR 66282). The Revenue Use Policy document provides guidance regarding permitted and prohibited uses of airport revenue. In addition, while CRRSA limits the use of funds to certain stated eligible costs, it states that funds may not be used for any purpose not directly related to the airport. Grant recipients also should review the Information for Airport Sponsors Considering COVID-19 Restrictions or Accommodations for clarifying COVID-19 revenue use guidance.

**Q-U2: Can Airport Coronavirus Response Grant Program funds be used to reimburse operational expenses?**

**A:** Yes. FAA will reimburse sponsors for operational expenses directly related to the airport incurred on or after January 20, 2020. Operational expenses are those expenses necessary to operate, maintain, and manage an airport. They include expenses such as payroll, utilities, service contracts, and items generally having a limited useful life, including personal protective equipment and cleaning supplies.

**Q-U3: Can Airport Coronavirus Response Grant Program funds be used to reimburse debt service payments?**

**A:** Yes. FAA will reimburse sponsors for debt service payments directly related to the airport that are due on or after December 27, 2020, which is the date of enactment of CRRSA.

**Q-U4: Can Airport Coronavirus Response Grant Program funds be used to reimburse monthly payments into a debt service reserve fund?**

**A:** Yes. FAA will reimburse sponsors for monthly payments into a debt service reserve fund (also called a debt service sinking fund or similar name), which are directly related to the airport, that are due on or after December 27, 2020, which is the date of enactment of CRRSA. The airport sponsor must ensure that these payments are restricted to only debt service payments. The airport sponsor will submit a detailed invoice summary with its payment request. All documentation of the payment and disbursements must be retained for three years after the grant is closed as required by 2 CFR § 200.334.

**Q-U5: Can Airport Coronavirus Response Grant Program funds be used for new airport development on the airport?**

**A:** Yes. However, there are limitations on the type of development for which the funding can be used. Any development-related costs must be associated with combating the spread of pathogens at the airport. Examples of eligible development would be replacing or upgrading a heating, ventilation, and air conditioning (HVAC) system; reconfiguring the terminal to accommodate increased social distancing; or reconfiguring terminal space or other facilities to accommodate health screening. A sponsor seeking to use the funds for new airport development or construction should contact its local Airports District Office or Airports Regional Office. That office will ensure that such development is consistent with requirements for airport development. The Airports District Office or Airports Regional Office also will assist the airport sponsor with executing a Development Addendum for its intended project.

**Q-U6: Can Airport Coronavirus Response Grant Program funds be used to prepay long-term contracts (for example, shuttle-bus operators, janitorial services, security services, fire and police services)?**

**A:** Yes, provided the prepayment is a *bona fide* transaction where the airport sponsor receives the benefit of the prepaid services and receives some value in exchange for committing in advance.

**Q-U7: Can Airport Coronavirus Response Grant Program funds be deposited in the airport sponsor's general reserve account (or invest them for future use)?**

**A:** No. FAA would not be able to ensure a potential future use is a use consistent with CRRSA requirements.

**Q-U8: Is there a limit on using Airport Coronavirus Response Grant Program funds for operational expenses?**

**A:** No. An airport sponsor may use all of its awarded funds for allowable airport operational expenses or debt service payments.

**Q-U9: Can Airport Coronavirus Response Grant Program funds be used to reimburse for a cost associated with an aeronautical service or product provided by the airport sponsor?**

**A:** Yes, in certain circumstances. Airport Coronavirus Response Grant Program funds are available to reimburse the costs associated with aeronautical products or services offered by the airport sponsor but only when the sponsor certifies it is the only provider of the same product or service at the airport. These services include aviation fuels, equipment, parts, supplies, and facilities for aircraft storage or maintenance. Costs associated with flight training or aviation training are not eligible for reimbursement.



**Q-U10: Can Airport Coronavirus Response Grant Program funds be used to reimburse depreciation?**

**A:** No. Depreciation is not an allowable expense under the Airport Coronavirus Response Grant Program. Although depreciation is an allowable operating expense by both the 2 CFR part 200 and the Revenue Use Policy, it does not impact cash flow because the cash or donation was considered at the acquisition of the asset, and the asset could have been financed by long-term debt, Federal grants, current funds, or donation.

**Q-U11: Can the Airport Coronavirus Response Grant Program funds be used to reimburse charitable contributions or sponsorships?**

**A:** No. Charitable contributions and sponsorships are not an allowable expense. All reimbursements made under the Airport Coronavirus Response Grant Program must comply with 2 CFR part 200, "Uniform Administrative, Cost Principles, and Audit Requirements for Federal Awards." Section 200.434, "Contributions and Donations" states that contributions and donations, including cash, property, and services, are unallowable.

**Q-U12: Can Airport Coronavirus Response Grant Program funds be used to reimburse economic development efforts?**

**A:** No. Under CRRSA, funds are available for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. Economic development does not fall into these categories of eligible costs.

**Q-U13: Can Airport Coronavirus Response Grant Program funds be used to reimburse smaller invoices for items such as groceries for snack rooms or meals for airport personnel?**

**A:** As long as the purchases are for purposes eligible under CRRSA (as described in Q-U1) and comply with 2 CFR part 200, including the requirement to document the costs adequately, small purchases are eligible for reimbursement. However, it can be difficult to document that these items are directly related to airport use. Larger invoices directly related to airport use are easier to review and approve.

**Q-U14: Can Airport Coronavirus Response Grant Program funds be used to reimburse debt service payments that are backed by an approved PFC and paid with PFC funds?**

**A:** No. If PFC funds are available, the PFC funds must be used on any approved PFC project. Airport Coronavirus Response Grant Program funds are not available to be deposited into PFC accounts. In accordance with 14 CFR § 158.39, public agencies cannot hold excess PFC funds in reserve for a future use. In addition, the requirements of 14 CFR part 158 apply for any new projects or changes in scope to existing projects.

**Q-U15: Can Airport Coronavirus Response Grant Program funds be used to reimburse debt service payments that are backed by an approved PFC?**

**A:** Yes. The airport sponsor may supplement with other airport revenue and submit a request for payment under its grant. The invoice summary should show the amount of debt service paid with PFC collections and the amount paid with non-PFC funds. The airport sponsor can submit a request for payment under its grant at the same time it submits an amendment to an approved PFC, which decreases the total collection or deletes an approved project, to its local Airports District Office or Airports Regional Office.

**Q-U16: Can Airport Coronavirus Response Grant Program funds be used to reimburse the defeasement of debt backed by an approved PFC?**

**A:** Yes. The airport sponsor can defease the debt with non-PFC funds and submit a request for payment under its grant. However, the airport sponsor must amend its PFC approval, in accordance with the requirements of 14 CFR § 158.37, to reflect the change. A PFC amendment that decreases the total PFC revenue or deletes an approved project does not require airline consultation nor a public comment period. An airport sponsor can submit a request for payment under its grant at the same time it submits an amendment to an approved PFC to its local Airports District Office or Airports Regional Office.