

Demonstrating Use of FTA Proceeds in a TrAMS Application

A. SCENARIO

This example involves rolling stock and 5307 funding, but the methodology applies to all asset dispositions and FTA funding programs.

A vehicle with remaining Federal Interest caught fire unexpectedly, and the FTA grantee submitted an insurance claim on the asset. The Recipient worked with its Regional FTA Program Manager to determine whether there was a remaining federal interest in the damaged asset and to calculate the amount of federal interest. In this example, the federal share was calculated to be \$25,000. The grantee received a letter from FTA instructing them to apply \$25,000 of the insurance proceeds to their next grant application by reducing the federal share of the gross cost of a vehicle. The grantee has opted to use 5307 urbanized area formula funds and the proceeds to purchase a replacement vehicle with a gross cost of \$100,000.

B. STEP-BY-STEP & MATH

1. Receive FTA concurrence for federal interest in proceeds in the amount of \$25,000. The approved amount is your Adjustment.
2. Determine the gross cost of the new asset (\$100,000).
3. Determine the federal and required local share based on the gross cost of the new asset (\$80,000 federal share, \$20,000 local share).
4. Determine the Net Federal Share by Subtracting the Adjustment from the original federal share.
5. Local share will be based on the gross cost of the new asset.

Gross Cost of New Vehicle	\$100,000 (\$80K Federal Share)
Adjustment or “Proceeds” Amount (Federal Share)	\$25,000
Net “New” Federal Funds (Post Adjustment)	\$55,000 (\$80K Fed-\$25K Proceeds)
Local Share* (for “new” and federal proceeds amt.)	\$20,000 (20% of \$100K Repl. Veh)

*20% in this example based on 80/20 local match ratio

C. TRAMS APPLICATION CONTROL TOTALS SUMMARY

<u>Funding Source Name</u>	<u>Amount</u>
49 USC 5307- (MAP 21) Urbanized Area Formula (FY2013 and forward)	\$55,000
Local	\$20,000*
Local/In-Kind	\$0
State	\$0
State/In-kind	\$0
Other Federal	\$0
Transportation Development Credit	\$0
Adjustment	\$25,000
Total Eligible Cost	\$75,000**

*Local share may also be reflected in Transportation Development Credit line, if applicable

**Transportation Development Credit and Adjustment will not be additive in the Total Eligible Cost.

D. EXTENDED BUDGET DESCRIPTION PROCEEDS LANGUAGE

In addition to the “typical” extended budget description language, the following information should be added:

- A. Gross Cost of new asset
- B. Amount of Federal Proceeds
- C. New Local Share Amount
- D. Reference attachment of FTA Concurrence Letter (which should be attached in the “Application Documents” section in TrAMS)**

Example of Additional Extended Budget Description Language: “Total cost of replacement vehicle is \$100,000. \$25,000 in federal proceeds is shown in the adjustment amount. Local share is 20% or \$20,000. Total federal interest in this new vehicle is 80%. FTA proceeds concurrence letter is attached to application.”

***Please also reference FTA Concurrence Letter and Proceeds Amount in Application Details section of TrAMS application.*