
Exhibit 3-K Administrative Procedures for Transfer of Local Federal-Aid Funds to FTA

1. FTA Grant Application Submittals

- Section 5307 FTA Grant Applications for urban areas between 50,000 and 200,000 population and urbanized areas over 200,000 population are submitted by the local agency directly to the FTA (San Francisco) using FTA's "Transportation Electronic Award and Management" (TEAM) computer system. Typically, the FTA accepts only one Section 5307 grant application per local agency per federal fiscal year. All projects eligible for transfer must be included in the local agency's annual grant application.

Regional Transportation Planning Agencies (RTPAs) are responsible for planning and programming the area's Section 5311 FTA apportionments and FHWA regional funds to meet the transportation needs of the region. Each year Caltrans provides the RTPAs with an estimate of their available apportionments. Each RTPA, in coordination with their local agencies, must develop a regional "Program of Projects" (POP) to be funded by the Section 5311 Program.

Caltrans DMT begins the process in October of each year by soliciting a POP from each MPO/RTPA. Projects included in the POP must have a completed FTA Section 5311 Project Application (see Caltrans DMT's Section 5311 "Handbook and Guide," for detailed procedures) completed by the local agency. The POP and applications must be submitted to the Caltrans District Transit Representative (DTR) by December 31 of each year.

- Section 5310 Grant Program grant applications are submitted to Caltrans DMT. Again, Caltrans DMT acts as the grant applicant on behalf of the local entity and deals with FTA on all project-related matters.

2. FTA Grant Application Notification

- FTA (San Francisco) notifies the grant applicant (local agency or Caltrans) upon receipt of the FTA Grant Application and assigns a pending grant number (FTA does not formally approve the grant until after all federal funds have been transferred).
- In March of each year, Section 5311 and 5310 grant subrecipients will receive written notification from the Caltrans DMT of projects and funds approved for inclusion in the fiscal year's statewide Section 5311 or 5310 grant application.

3. Request for Transfer of Funds to FTA

- For Section 5307 projects, upon notification by FTA, or of pending grant approval, the local agency must submit a "Request for Transfer of Federal Funds to the Federal Transit Administration (FTA)" (see [Exhibit 3-J](#)) and support documentation to the DLAE. The request is reviewed by the District for completeness and accuracy and then is forwarded to the Caltrans Division of Local Assistance (DLA) for processing.
- For Section 5310 and 5311 projects, Caltrans DMT will forward Part II of the FTA Project Application to Caltrans DLA.

4. Transfer of Funds to FTA

- Caltrans DLA will prepare and submit an “FTA Transfer Letter” to FHWA (Sacramento).
- Upon concurrence by FHWA (Sacramento), Caltrans is notified and FHWA (Sacramento) forwards a memorandum to FHWA (Washington D.C.) requesting the funds be transferred to FTA (Washington D.C.).
- FHWA (Washington D.C.) transfers the highway funds and notifies FTA (Washington D.C.).
- FHWA and Caltrans adjust the appropriate apportionment balances (Note that unexpended FHWA funds transferred to FTA will remain with FTA.).
- FTA (Washington D.C.) notifies the FTA (San Francisco) of the fund transfer.
- FTA (San Francisco) will approve/award the grant once their requirements have been satisfied and notify the applicant (the most common problem for applicants is complying with the FTA’s Labor Compliance regulations).

5. Agreements

- Upon FTA approval of the grant application the applicant agency (local agency or Caltrans DMT) enters into a master agreement directly with FTA (San Francisco).
- For Section 5311 and 5310 FTA transfers, Caltrans DMT enters into “Standard” agreements with the sub recipient agencies. Projects are administered in accordance with FTA procedures and the District Transit Office provides project oversight.
- If state match is provided for the transferred funds, the Caltrans DLA or DMT must enter into a Program Supplement Agreement with the local agency.

6. Local Agency Reimbursement

- For Section 5307 FTA Grant projects, the grant applicant deals with FTA on all project-related matters including federal reimbursement.
- Funds for the Section 5311 and 5310 FTA Grant Programs are included in the Caltrans DMT budget. The subrecipient submits progress invoices to the Caltrans District Transit Representative for review and approval. Caltrans will reimburse the grant recipient and then request federal reimbursement from the FTA.