

FY25 PROGRAM GUIDANCE & UPDATES

MDT FALL TRANSIT WORKSHOP 2023



TOPICS

- In-kind as Cost Sharing or Matching & Indirect Costs (IDC)
- State Fiscal Year (SFY) 2025 Allocations
- Disposition and Lien Releases
- Statewide Plans
 - State Management, Preventative Maintenance
- Q&A

IN-KIND AS COST SHARING OR MATCHING

- Purpose/Issues/Changes
 - Annual and Quarterly Limits, Eligibility, Direct/In-kind/IDC, Expense Backup
- Reimbursement Request Template
- Use of In-kind as Match for Federal Transit Administration Awards (NCHRP)
 - Understand circumstances in-kind resources can be used as match to FTA funds. Explores potential options for use of in-kind as match, addressing potential sources of in-kind and discussing under what circumstances these sources are eligible.
- Common Expenses Table

IN-KIND COMMON EXPENSES TABLE

A	B	C	D	E	
Category	Item (Must meet Cost Principles - 2 CFR Part 200 Subpart E)	In-Kind - Allowable	In-Kind - Not allowable	Guidance *In-kind cannot exceed total local match in operating budget category (Admin, Op, PM)	In-Direct Co
Capital	Land and Buildings	Land and buildings can be used as in-kind match for a construction project		The buildings and land must be necessary and reasonable for accomplishing the award objectives. 2 CFR 200.306(d) states if a Federal awarding agency authorizes the entity to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching must be the lesser of: (1) The value of the remaining life of the property recorded in the entity's accounting records at the time of donation (2) The current fair market value	
Capital	Equipment	Recipient-owned equipment can be used as in-kind for the acquisition of new equipment or the execution of the award project		2 CFR 200.33 defines equipment as "tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000." (Required FTA approval if title is passed to the project)	
Operating (Admin, Op, &/or PM)	In-kind operating resource (such as donated time of volunteer drivers)	Can only match operating assistance		Must have documentation showing the hours volunteer drivers work, and support for the determination of the value	
Operating (Admin, Op, &/or PM)	Transit provider is part of a city or county	Staff support by other departments that are not reimbursed by an award can be used as in-kind	Charged as in-direct or to another federal grant		
Operating (Admin, Op, &/or PM)	Volunteer services furnished by 3rd party professional and technical personnel, consultants, and other skilled and unskilled labor	May be counted if the service is an integral and necessary part of an approved project or program		Rates for 3rd party volunteer service must be consistent with those paid for similar work by the non-federal entity or similar in the labor market	
Operating (Admin, Op, &/or PM)	Third-party organization furnishes the services of an employee	Services must be valued at the employee's regular rate of pay plus an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, and indirect costs at either the third-party organization's approved federally negotiated indirect cost rate or, a rate in accordance with §200.414 Indirect (F&A) costs, paragraph (d), provided these services employ the same skill(s) for which the employee is normally paid.			
Operating (Admin, Op, &/or PM)	Labor	Volunteer time for driving, dispatching, or other functions		For volunteers, rates must be consistent with those paid for similar work performed by staff at the agency. If comparable services are not performed locally, use other survey data. One source for aggregate wage data is the U.S. Department of Labor Bureau of Labor Statistics (BLS) which publishes data on average hourly and weekly earnings of all employees on private nonfarm payrolls by industry sector. Another source is Independent Sector, a private nonprofit serving the charitable sector, which calculates the national value and value by state of volunteer time using BLS data. Data from these sources are available on the web. Be sure to document the rationale for the rates in the file.	

IDC: GENERAL CONSIDERATIONS

- Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved.
- After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefitted cost objectives.
- A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

IDC: MDT MUST ALLOW

- An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government. If no approved rate exists, the pass-through entity must determine the appropriate rate in collaboration with the subrecipient, which is either:
 - The negotiated indirect cost rate between the pass-through entity and the subrecipient; which can be based on a prior negotiated rate between a different PTE and the same subrecipient. If basing the rate on a previously negotiated rate, the pass-through entity is not required to collect information justifying this rate, but may elect to do so;
 - The de minimis indirect cost rate.

IDC: DE MINIMIS

- Any non-Federal entity that does not have a current negotiated rate may elect to charge a de minimis rate of 10% of Modified Total Direct Costs (MTDC).
 - **Includes:** Direct salaries direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward or subcontract.
 - **Excludes:** equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward and subcontract in excess of \$25,000.
- No documentation is required to justify the 10% de minimis indirect cost rate.
- As described in § 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both.

APPLYING DE MINIMIS

- Applying the rate to calculate actual indirect costs.
- As with negotiated IDC rates, organizations will calculate the actual indirect costs on a periodic basis.
- With the de minimis ICR, the 10% de minimis is multiplied by only the actual MTDC, as shown in the sample.


Grant Amount: \$350,000 Approved ICR: 10%				
	Period 1	Period 2	Period 3	Period 4
Direct Costs	\$38,872	\$33,454	\$30,453	\$22,828
<i>Salaries (Personnel)</i>	16,280	15,960	19,829	16,546
<i>Fringe Benefits</i>	2,442	2,394	2,974	2,482
<i>Contractual</i>	150	1,900	1,650	1,800
<i>Equipment</i>	15,000	3,000	-	-
<i>Supplies</i>	1,000	1,200	1,000	-
<i>Subawards</i>	4,000	9,000	5,000	2,000
Indirect Costs (De Minimis 10%)	\$2,387	\$3,045	\$3,045	\$2,283
Total Actual Amount	\$41,259	\$36,499	\$33,499	\$25,111

For period 1, the actual indirect costs are calculated as 10% of \$23,872 (\$16,280 + \$2,442 + \$150 + \$5,000 + \$1,000 + \$4,000).

Organization Library









Global Resources

Global Resources



Current Files

Root \ Guides \

<input type="checkbox"/>	Type	Name	Size
<input type="checkbox"/>		IDC	
<input type="checkbox"/>		In-kind	
<input type="checkbox"/>		MDT FINANCIAL MGT GUIDE-March-2018.pdf	11.55 MB
<input type="checkbox"/>		Unallowable Costs Lists	162 KB
<input type="checkbox"/>		BlackCat Drug & Alcohol mini_guide	16 KB
<input type="checkbox"/>		FTA Facility Guidance Powerpoint	2.15 MB
<input type="checkbox"/>		FTA Local Match Funding Guide	546 KB
<input type="checkbox"/>		Depreciation Guideline	124 KB

ALLOCATIONS

- SFY25 Section 5311 Operating
 - Standard: Net Total Project Costs, Performance, Inflationary Factor
 - New: Past years' expenditures
- TransADE
 - SFY24: 60% increase
 - SFY25: 60% increase?

DISPOSITION AND LIEN RELEASES

- Disposition
 - The Infrastructure Investment and Jobs Act (IIJA) changed the provisions for transit asset disposition. For rolling stock, equipment and aggregate supplies that have met their minimum useful life and were (1) purchased with federal assistance (2) with a fair market value of more than \$5,000 and (3) sold after November 15, 2021, the recipient may retain a portion of the funds -- \$5,000 plus the percentage of its local share in the original award. Any remaining federal share must be returned to FTA. The federal share of the sales proceeds cannot be retained for public transportation use.
- Lien Releases
 - Moved from end of useful-life to date of disposition.

UPDATED STATEWIDE PLANS

- State Management Plan (SMP)
 - 30-day Comment Period
- Preventative Maintenance Plan
 - Rolling-stock and Facilities

QUESTIONS?



IDC: NEGOTIATED RATE

- Any non-Federal entity that has a current federally-negotiated indirect cost rate may apply for a one-time extension of the rates in that agreement for a period of up to four years. This extension will be subject to the review and approval of the cognizant agency for indirect costs. If an extension is granted the non-Federal entity may not request a rate review until the extension period ends. At the end of the 4-year extension, the non-Federal entity must re-apply to negotiate a rate. Subsequent one-time extensions (up to four years) are permitted if a renegotiation is completed between each extension request.