

FAA Central Region
ECHO GRANT PAYMENT REQUEST
GUIDELINES AND PROCEDURES

_____ (herein called the Sponsor) hereby agrees that as a condition to being authorized to use Federal Transit Administration's (FTA) Electronic Clearing House Operation, or ECHO System, it will comply with these guidelines and procedures to request progress or final payment on FAA projects by electronic funds transfer from the FAA to the Sponsor.

The Electronic Clearing House Operation (ECHO) is a personal computer (PC) based application that utilizes the Automated Clearing House (ACH) method of payment. Under the ACH method, FAA provides payment to the Sponsor by electronically wiring funds to the Sponsor's financial institution.

ECHO consists of an electronic mailbox where sponsors call in their drawdown data with use of a computer. ECHO processes the payment requests by validating the individual payment request against the available project balance maintained by DOT's accounting system. ECHO then transmits requests approved for payment to the Sponsor's financial institution through Treasury's ACH process. Normally, Federal funds are deposited in the Sponsor's account the following day.

Office of Management and Budget (OMB) Circulars A-102, A-110 and 31 CFR Part 205, governs payment to recipients for financing operations under Federal grant and other programs. These regulations require that payment to a grantee be limited to the minimum amounts needed and timed so as to be in accord only with the actual, immediate cash requirements of the grantee in carrying out the approved project.

The FAA agrees to set up the Sponsor for the ECHO system based on the following:

1. The maximum ECHO amount shall be based on the grant amount of each active development and planning grant, and any increases or decreases to the grant amount, if applicable.
2. The Sponsor may initiate cash drawdowns for only the Federal share of eligible project costs only when needed for immediate disbursement and agrees to expend all Federal funds obtained under the project for project purposes no later than three business days after receipt of those funds. Only one drawdown request shall be made per day for each project. There is no minimum limit on the dollar amount. All ECHO claims must be in whole dollars (drop all cents to next lower whole dollar). FTA strongly encourages putting all projects on one request.
3. Since Federal funds paid on AIP projects are based on reimbursement, rather than advanced funds, the Sponsor shall complete the Outlay Report and Request for Reimbursement for Construction Programs (SF-271) or the Request for Advance or Reimbursement (SF-270), or a similar project cost report developed by the Sponsor which shows the breakdown of the total project costs by classification, any nonparticipating costs for ineligible work items, the total project costs, the Federal share to date, the total Federal payments received to date, and the amount requested for reimbursement.
4. The Sponsor agrees to comply with the following provisions:
 - a. Change Orders -- The Sponsor must have written concurrence of any change order unless otherwise directed by Airports Division Central Region.
 - b. Land Acquisition -- Either prior to or with the submission of the drawdown, the Sponsor

must submit to the FAA the Certificate of Title, or preliminary title evidence for land and easements being acquired under the grant, as required by the special condition in the grant agreement.

- c. Special Conditions -- It is the Sponsor's responsibility to comply with any special conditions in the grant agreement which limit grant payments and/or describes non-participating work items which are not eligible for Federal funding. The Sponsor shall insure that drawdowns do not exceed the payment limitation until satisfactory actions have been taken and the sponsor is in receipt of a letter from the FAA which specifically clears the special condition.
- d. Master Plan Project or Airport Layout Plan (ALP) Planning Project -- The Sponsor shall withhold 10 percent of grant amount from final payment to the consultant until Sponsor has been notified that FAA has accepted the Final Master Plan Report, approved the ALP, and accepted any related environmental work, whichever applies.
- e. Construction Project -- The Sponsor shall withhold funds from contractor payments in accordance with Advisory Circular (AC) 150/5370-10A. If warranted, approval from FAA may be requested to reduce the amount of contractor retainage being withheld

5. REQUEST FOR REIMBURSEMENT. After each drawdown, the Sponsor shall type the accumulative Federal funds claimed to date for each project on the **ECHO PAYMENT REQUEST FORM (ECHO FORM)**, and immediately submit the **ECHO FORM** and the **ECHO Drawdown Checklist** to the FAA Project Manager in Airports Division **via fax** (816-329-2610 or 2611).

6. NEW GRANTS AND AMENDMENTS. Prior to making the first drawdown on a new grant or after an amendment has been executed to increase the grant amount, the Sponsor shall wait until the executed grant agreement or amendment has been returned to FAA and FAA has converted the "reservation" of funds to "obligated" funds in the DOT accounting system.

7. QUARTERLY REPORTS. Within 15 working days of the end of each Federal fiscal year quarter (ending March, June, September, and December), the Sponsor shall submit to the FAA Project Manager in Airports Division, the most recent **Outlay Report** (SF-270 or 271) for each project for which a drawdown(s) was made during the quarter, or a similar project cost report developed by the Sponsor which shows the breakdown of the total project costs by classification, any nonparticipating costs for ineligible work items, the total project costs, the Federal share to date, and the total Federal payments received to date. (The quarterly reports provide information to the project manager to help monitor the project and to reconcile the amount of Federal funds paid between records of the Sponsor, FAA Accounting, and FAA Airports, as required.)

8. FINAL PAYMENT AND GRANT CLOSEOUT. The Sponsor shall not make an ECHO drawdown of the final \$5,000 on grants of less than \$500,000 and \$10,000 on grants of \$500,000 or more, (10% or \$5,000, whichever is greater, on planning projects) until the Sponsor has submitted all closeout documents satisfactory to the FAA and FAA has given approval on their determination of the reasonableness, eligibility, and necessity of the final claimed costs. FAA will be give approval to make the final drawdown by letter. If warranted, approval from FAA may be requested to reduce the amount being withheld.

For grant closeout, the Sponsor shall submit to FAA Airports Division a final Outlay Report (SF 270 or 271), or a similar project cost report developed by the Sponsor, signed and dated, which provides a breakdown of final project costs for each project cost classification with the following documentation attached, if applicable.

Page 2 of 4

- a. Final Contractor's pay estimate, signed and dated by Project Engineer and Contractor.
- b. Final Consultant Engineer's invoice. The final invoice shall be broken down into line

items/categories, as shown in the consultant engineering agreement, and show the lump sum amount and/or 'not to exceed' amount and fixed payment provided in the contract for both design engineering and construction engineering. Amendments revising the original contract amounts shall also be shown on the invoice.

- c. Other project costs, such as administrative costs, shall be listed with breakdowns, as appropriate.
- d. **Sponsor Certification for Construction Project Final Acceptance** and any associated project close out documents (Construction and Equipment projects only).
- e. For land acquisition projects: **Sponsor Certification for Real Property Acquisition** and copy of **Land Acquisition Cost Breakdown form** (or a similar Sponsor's form) with information on all parcels (land or easements) acquired under the project.
- f. Other required closeout documents for construction projects, as required by Central Region Guidance for Project Closeout Requirements.

9. The Sponsor shall maintain a financial management system which meets the standards for fund control and accountability prescribed in the common rule on grant management, 49 CFR Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

10. The Sponsor is not authorized to draw advance funds. The Sponsor may initiate cash drawdowns only when actually needed for immediate disbursement for project purposes.

11. If the Sponsor makes an error in a drawdown or fails to expend the Federal funds within three business days of the date of receipt, they shall contact the FAA to determine what corrective action shall be taken. If the error results in interest being earned on Federal funds, the interest must be paid to the FAA. Make the check payable to "Federal Aviation Administration" and mail to the project manager.

12. The Sponsor agrees to report its cash disbursements and balances in a timely manner as required by FAA through completion of the quarterly financial reports. The Sponsor agrees to submit any additional forms, reports, or supporting documentation required by the FAA, the Department of Treasury, or the Office of Management and Budget (OMB).

13. It is understood and agreed that failure to adhere to the provisions set forth in this agreement shall cause the ECHO Control Number to be revoked. In the event of revocation, subsequent payments shall be made by the ACH requisition payment method for individual projects, based on payment requests in the form prescribed by the FAA. In addition, failure to honor these requirements may result in other remedies authorized by Federal law or regulations.

14. It is understood and agreed that FAA Airports Division, and/or their representatives may perform periodic reviews of the Sponsor's procedures for preparing and making drawdowns using the ECHO system to ensure that the Sponsor's payment requests are correct and include only project costs which are eligible, and are supported with adequate documentation.

The Sponsor agrees to comply with the ECHO Grant Payment Request Guidelines and Procedures and any subsequent minor revisions as may be required by the FAA and the FTA. The person or persons whose signatures appear below are authorized representatives of the sponsor.

(Name of Sponsor)

(Signature of Authorized Representative)

(Date)

(Typed Name and Title)

(Name and Telephone Number of Contact Person)