

FHWA and FTA Funding Source Eligibility

Eligibility for PSRC's FHWA Funds

The following provides a summary of the type of projects eligible to receive funds through PSRC's Surface Transportation Block Grant Program (STP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ). It is not intended as a comprehensive resource and instead serves as a list of examples. Additional details on each funding program can be accessed through the resources provided for each program below.

STP

STP funds are considered the most flexible funding source provided through the federal Fixing America's Surface Transportation (FAST) Act. Many types of projects are eligible, including transit, carpool/vanpool, bicycle/pedestrian, safety, traffic monitoring/management, and planning projects, along with the more traditional road and bridge projects. For more information on projects eligible to receive STPS funds, refer to FHWA's program [fact sheet](#).

EXAMPLES OF PROJECTS ELIGIBLE FOR STP FUNDS

1. Roadway construction, reconstruction, seismic retrofit, restoration and preservation, operational improvements including the interstate system, bridges, and tunnels, roadway widening (for general purpose lanes and/or high-occupancy vehicle lanes), and turning lanes. Note: Roadways must be functionally classified as *collector* or above, unless the project is a bridge, railroad, safety or nonmotorized-transportation, project.
2. Any transit capital or planning project that is also eligible for Federal Transit Administration (FTA) funding, including fixed guideway projects such as electric streetcar, trolley bus, monorail, and ferry vessels; replacement or expansion of transit vehicle fleets or maintenance facilities.
3. Fringe and corridor parking, including electric and natural gas vehicle charging infrastructure, carpool, vanpool, bicycle, and pedestrian facilities.
4. Highway and transit safety improvements.
5. Highway and transit research and technology transfer.
6. Capital and operating costs for traffic monitoring, management and control of facilities, and transportation programs.
7. Surface transportation planning (e.g., system planning, corridor planning, project planning).
8. Transportation Alternatives Program activities, as defined in 23 U.S.C. 101(a)(29) (MAP-21 §1103).
9. Nonmotorized-transportation activities, including recreational trails.
10. Certain Clean Air Act transportation control measures identified in the State Implementation Plan for Air Quality (see note, at the end of this list).
11. Development/establishment of management systems.
12. Wetlands mitigation (i.e., surface drainage and banking).
13. Sodium acetate/formate, or other environmentally acceptable, minimally corrosive anti-icing and de-icing composition.
14. Programs to reduce extreme cold starts.
15. Environmental restoration and pollution abatement projects, including retrofit or construction of storm water treatment facilities.

16. Natural habitat mitigation (if wetland or natural habitat mitigation is within the service area of a mitigation bank, preference will be given to use the bank).
17. Privately owned vehicles and facilities that are used to provide intercity passenger service by bus.
18. Modifications of existing public sidewalks to comply with the requirements of the Americans with Disabilities Act.
19. Infrastructure-based intelligent transportation system capital improvements.
20. Preventive maintenance activities which extend the service life of the facility. Pavement, bridges, and essential highway appurtenances are eligible for federal funding with prior approval by WSDOT's Highway and Local Programs staff (see note below).
21. Advanced truck stop electrification systems.
22. Congestion pricing projects and strategies, including electric toll collection and travel demand management strategies and programs.
23. Construction of ferry boats and terminals.
24. Truck parking facilities.
25. Development and implementation of State asset management plan for the NHS, and similar activities related to the development and implementation of a performance based management program for other public roads.
26. Surface transportation infrastructure modifications within port terminal boundaries, only if necessary to facilitate direct intermodal interchange, transfer, and access into and out of the port.
27. Construction and operational improvements for a minor collector in the same corridor and in proximity to an NHS route if the improvement is more cost-effective (as determined by a benefit-cost analysis) than an NHS improvement and will enhance NHS level of service and regional traffic flow.

CMAQ

The purpose of the CMAQ program is to fund transportation projects or programs that will contribute to attainment or maintenance of the national ambient air quality standards (NAAQS) for ozone, carbon monoxide (CO), and particulate matter (PM).

PRIORITY FOR USE OF CMAQ FUNDS

The FAST Act directs States and MPOs to give priority to cost-effective projects including diesel retrofits and congestion mitigation activities that also provide air quality benefits. In addition, any transportation control measures identified in State Implementation Plans for Air Quality (SIPs) must receive funding priority. Further, under the FAST Act areas with a PM_{2.5} nonattainment or maintenance area must invest a portion of CMAQ funds within these areas to reduce PM_{2.5} emissions, with diesel retrofits highlighted as a primary example of such projects.

ELIGIBLE AREAS

CMAQ funds may be invested in all ozone, CO, and PM nonattainment and maintenance areas, including former areas where the NAAQS has been revoked. Funds also may be used for projects in proximity to nonattainment and maintenance areas if the benefits will be realized primarily within the nonattainment or maintenance area. A map of areas within the PSRC region that are eligible for CMAQ funds is included in the Call for Projects.

PROJECT ELIGIBILITY

Each CMAQ project must meet three basic criteria: it must be a transportation project, it must generate an emissions reduction, and it must be located in or benefit a nonattainment or maintenance area.

The following provides a summary of the types of projects eligible for CMAQ funding. As noted above, this is not a comprehensive list; for more details regarding the CMAQ program and specific eligibility questions, refer to FHWA's program [fact sheet](#).

1. Diesel Engine Retrofits and Other Advanced Truck Technologies

- a. Diesel engine or full vehicle replacement;
- b. Full engine rebuilding and reconditioning;
- c. Purchase and installation of after-treatment hardware including particulate matter traps and oxidation catalysts;
- d. Support for heavy-duty vehicle retirement programs;
- e. Purchase and installation of emission control equipment on school buses;
- f. Refueling if it is required to support the installation of emissions control equipment, repowering, rebuilding, or other retrofits of non-road engines;
- g. Outreach activities to diesel owners and operators;
- h. Non-road mobile source projects, including locomotive retrofit and acquisition of clean locomotives; and
- i. Upgrading long-haul heavy-duty diesel trucks with EPA verified advanced technologies such as idle reduction devices, cab and trailer aerodynamic fixtures, etc..

2. Idle Reduction

- a. Deployment of off-board projects, such as truck stop electrification; and
- b. On-board projects, such as auxiliary power units, for vehicles primarily traveling within a nonattainment or maintenance area.

3. Congestion Reduction and Traffic Flow Improvements

- a. Traditional improvements, such as the construction of roundabouts, HOV lanes, left-turn or other managed lanes as long as they demonstrate net emissions benefits;
- b. Intelligent Transportation Systems projects such as traffic signal synchronization, traveler information systems, freeway management systems, etc.;
- c. Value/congestion pricing, as long as emission reductions are generated;
- d. Projects or programs that shift travel demand to nonpeak hours or other transportation modes, increase vehicle occupancy rates, or otherwise reduce demand through initiatives, such as teleworking, ridesharing, pricing, and others.

4. Freight/Intermodal

- a. Primary projects that directly reduce emissions such as new diesel engine technology or retrofits of vehicles or engines; eligibility is expanded to include nonroad mobile freight projects such as rail.
- b. Secondary projects that reduce emissions through modifications or additions to infrastructure resulting in a modal shift, such as intermodal transportation facilities that reduce truck VMT; the transportation function of these projects must be emphasized.

5. Transportation Control Measures (TCMs)

- a. Programs for improved public transit;
- b. Restriction of certain roads or lanes to, or construction of such roads or lanes for use by, passenger buses and/or high occupancy vehicles (HOVs);
- c. Employer-based transportation management plans, including incentives;
- d. Trip-reduction ordinances;
- e. Traffic flow improvement programs that reduce emissions;
- f. Fringe and transportation corridor parking facilities serving multiple-occupancy vehicle programs or transit service;
- g. Programs to limit or restrict vehicle use in downtown areas or other areas of emission

concentrations, particularly during periods of peak use;

- h. Programs for the provision of all forms of high-occupancy, shared-ride services;
- i. Programs to limit portions of road surfaces or certain sections of the metropolitan area to the use of nonmotorized vehicles or pedestrian use, both as to time and place;
- j. Programs for secure bicycle storage facilities and other facilities, including bicycle lanes, for the convenience and protection of bicyclists, in both public and private areas;
- k. Programs to control extended idling of vehicles;
- l. Reducing emissions from extreme cold-start conditions;
- m. Employer-sponsored programs to permit flexible work schedules;
- n. Programs and ordinances to facilitate non-automobile travel, provision and utilization of mass transit, and to generally reduce the need for single occupant (SOV) travel as a part of transportation planning and development efforts of a locality, including programs and ordinances applicable to new shopping centers, special events, and other centers of vehicle activity; and
- o. Programs for new construction and major reconstruction of paths, tracks, or areas solely for use by pedestrian or other nonmotorized means of transportation, when economically feasible and in the public interest.

6. Transit Improvements

- a. New transit facilities, if associated with new or enhanced public transit; routine maintenance or rehabilitation of existing facilities is not eligible;
- b. New transit vehicles to expand the fleet or replace existing vehicles;
- c. Fuel is an eligible expense only as part of a project providing operating assistance for new or expanded transit service;
- d. Operating assistance to introduce new transit service or the incremental cost to expand existing service. Three years of operating assistance allowable under the CMAQ program, but may be spread over a total of up to 5 sequential years of support;
- e. Transit fare subsidies, under specific conditions designed to prevent the NAAQS from being exceeded.

7. Bicycle and Pedestrian Facilities and Programs

- a. Constructing bicycle and pedestrian facilities (paths, bike racks, support facilities, etc.) that are not exclusively recreational and reduce vehicle trips;
- b. Non-construction outreach related to safe bicycle use;
- c. Establishing and funding State bicycle/pedestrian coordinator positions for promoting and facilitating nonmotorized transportation modes through public education, safety programs, etc. (limited to one full-time position per State).

8. Travel Demand Management

The following TDM activities are eligible if they are explicitly aimed at reducing SOV travel and associated emissions:

- a. Fringe parking;
- b. Traveler information services;
- c. Shuttle services;
- d. Guaranteed ride home programs;
- e. Carpools, vanpools;
- f. Traffic calming measures;
- g. Parking pricing;
- h. Variable road pricing;
- i. Telecommuting/Teleworking;
- j. Employer-based commuter choice programs; and
- k. Marketing and outreach efforts to expand use of TDM measures.

9. Public Education and Outreach Activities

- a. Activities that promote new or existing transportation services;
- b. Developing messages and advertising materials;
- c. Technical assistance; and
- d. Any other activities that help forward less-polluting transportation options.

10. Transportation Management Associations

- a. Establishment and start-up costs of TMAs and up to 5 years of operating assistance provided that they reduce emissions.

11. Carpooling and Vanpooling

- a. Marketing, including existing, expanded and new activities designed to increase the use of carpools and vanpools;
- b. Vehicle capital costs, including the purchase or lease of vanpool vans and eligible operating costs limited to 5 years.

12. Carsharing

- a. Pooling of efficient, low-emission vehicles, provided to travelers who have occasional need for a vehicle but not the constant, daily necessity that demands ownership, provided sponsors can demonstrate an emissions reduction from the carsharing program.

13. Extreme Low-Temperature Cold Start Programs

14. Training

15. Inspection/Maintenance Programs

16. Innovative Projects

17. Alternative Fuels and Vehicles

The incremental cost, limited to the marginal emissions-reducing elements of alternative fuel vehicles, is eligible. Establishing publicly owned fueling facilities and other infrastructure needed to fuel alternative fuel vehicles is an eligible expense, under certain conditions. The purchase of publicly-owned alternative fuel vehicles providing a dominant transportation function may be fully funded. Costs associated with converting fleets to run on alternative fuels are eligible. Alternatives to diesel engines and vehicles, and alternative fuel vehicle projects such as diesel retrofits or replacement of an operable engine are eligible.

The following projects are **ineligible** for CMAQ funding:

- 1. Light-duty vehicle scrappage programs;
 - 2. Projects that add new capacity for SOVs;
 - 3. Routine maintenance and rehabilitation projects (e.g., replacement-in-kind of track or other equipment, reconstruction of bridges, stations, and other facilities, and repaving or repair of roads);
 - 4. Administrative costs of the CMAQ program may not be defrayed with program funds;
 - 5. Projects that do not meet the specific eligibility requirements of titles 23 and 49 U.S.C.;
 - 6. Stand-alone projects to purchase fuel;
 - 7. Acquisition, operation or development of models or monitoring networks;
 - 8. Litigation costs surrounding CMAQ or other Federal-aid projects.
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Eligibility for PSRC's FTA Funds

The following is a summary of projects eligible to receive PSRC's FTA Section 5307 Urbanized Area Formula funds, Section 5337 State of Good Repair funds, and Section 5339 Bus and Bus Facilities funds. It is not intended as a comprehensive resource and instead serves as a list of examples. Additional details on each funding program can be accessed through the resources provided for each program below.

Section 5307

FTA Section 5307 funds are the most flexible of PSRC's FTA funding sources, with a variety of planning and capital projects eligible. Examples of eligible projects are identified below; more information may be found by referring to FTA's [fact sheet](#).

1. Planning

Section 5307 funds are available for the planning, engineering, design, and evaluation of public transportation projects and for other technical transportation-related studies. Eligible activities include, but are not limited to: studies relating to management, operations, capital requirements, and economic feasibility; work elements and related activities preliminary to and in preparation for constructing, acquiring, or improving the operation of facilities and equipment; plans and specifications; evaluation of previously funded projects; job access and reverse commute projects; and other similar or related activities before and in preparation for the construction, acquisition, or improved operation of public transportation systems, facilities, and equipment.

2. Capital Projects

Eligible capital project expenses involve purchasing, leasing, constructing, maintaining, or repairing facilities, rolling stock, and equipment for use in a public transportation system. Examples of eligible activities include:

- a. Bus and Bus-Related Activities;
 - (1) Replacement of buses;
 - (2) Overhaul of buses (includes paratransit vehicles);
 - (3) Rebuilding of buses;
 - (4) Expansion of bus fleets;
 - (5) Purchase and installation of service and support equipment;
 - (6) Accessory and miscellaneous equipment such as mobile radio units, bus stop signs, supervisory vehicles, fareboxes, computers, and shop and garage equipment;
 - (7) Construction of maintenance facilities, including land acquisition, design, engineering, and demolition;
 - (8) Rehabilitation of maintenance facilities, including design and engineering, land acquisition, and relocation;
 - (9) Construction of other facilities, for example, transfer facilities, intermodal terminals and bus shelters, including design and engineering, and land acquisition;
 - (10) Construction, renovation, and improvements of intercity bus and intercity rail stations and terminals;
 - (11) The introduction of new technology, through innovative and improved products, into public transportation; and
 - (12) Capital support equipment, including computer hardware, software, bus diagnostic equipment, and other equipment that enhances operating efficiency.
- b. Fixed Guideway Systems;
 - (1) Rolling stock, including rail cars, locomotives, work trains, bus rapid transit vehicles, and ferryboats;
 - (2) Overhaul of vehicles;
 - (3) Rebuilding of vehicles;
 - (4) Track;
 - (5) Line equipment;

- (6) Line structures;
 - (7) Passenger stations, depots, and terminals, including ferry terminals;
 - (8) Signals and communications;
 - (9) Power equipment and substations;
 - (10) Projects to improve safety and security;
 - (11) Operational support, including computer hardware and software;
 - (12) Systems extensions or new system construction, including engineering, demolition, etc.; and
 - (13) Land acquisition, design, and construction for fixed guideways.
- c. Associated Transit Improvements;
- (1) The following public transportation projects and project elements qualify as associated transit improvement projects:
 - (a) Historic preservation, rehabilitation, and operation of historic public transportation buildings, structures, and facilities (including historic bus and railroad facilities) intended for use in public transportation service;
 - (b) Bus shelters;
 - (c) Landscaping and streetscaping, including benches, trash receptacles, and street lights;
 - (d) Pedestrian access and walkways;
 - (e) Bicycle access, including bicycle storage facilities and installing equipment for transporting bicycles on public transportation vehicles;
 - (f) Signage; or
 - (g) Enhanced access for people with disabilities to public transportation. Associated transit improvement projects or elements of projects designed to enhance access for people with disabilities are required to exceed the minimum requirements of the ADA.
 - (2) Bicycle and pedestrian paths within a certain distance from a transit stop or station are eligible capital projects and qualify as associated transit improvements. Pedestrian paths located within 0.5 miles of a transit stop or station and bicycle paths located within three miles of a transit stop or station are eligible capital projects. Projects outside this distance may be eligible if they are within the distance that a person could be expected to safely and conveniently walk or bicycle to the particular stop or station.
- d. Vehicle-Related Equipment to Comply with the Americans with Disabilities Act of 1990; Examples of vehicle-related equipment for compliance with the Americans with Disabilities Act of 1990 (ADA) include:
- (1) Low floor vehicles and components that allow for level boarding of all passengers.
 - (2) Lifts, ramps, and other level-change mechanisms attached to or within the vehicle
 - (3) Securement devices (nonrail vehicles only).
 - (4) Seats that fold to create wheelchair space.
 - (5) Audible communication systems at doors and within seating areas.
 - (6) Visual monitoring systems at doors and within seating areas to observe when assistance is requested or necessary for the use of securement systems, ramps, and lifts per 49 CFR 37.165(f).
 - (7) Call systems for alerting drivers and other employees to provide assistance.
 - (8) Variable passenger information displays at doors and within seating areas.
 - (9) For railcars equipped with restrooms, restroom features specific to accessibility (dimensions, fixtures).
 - (10) Features specific to accessibility (signs, barriers between cars, handrails).
 - (11) Other vehicle-related equipment specifically required by 49 CFR part 38.
- e. Facility and Vehicle Projects to Comply with the Americans with Disabilities Act of 1990; Examples of vehicle-related equipment or facilities projects for compliance with ADA include, but are not limited to:
- (1) Level boarding passenger platforms to enter a vehicle (applies to full platforms);
 - (2) Lifts and ramps at a station, either attached or mobile;
 - (3) Passenger elevators on a path of travel within a station;
 - (4) Platform edge and pathway markings;
 - (5) Accessible passenger ticketing elements;
 - (6) Accessible doors and door systems;
 - (7) Audible communication systems;

- (8) Variable passenger information displays;
 - (9) Fixed passenger signage with accessible features;
 - (10) Passenger rest room features that are specific to accessibility;
 - (11) Station features that are specific to accessibility; and
 - (12) ADA-related features of other facilities, including administrative facilities and vehicle maintenance facilities.
- f. Extended warranty is an eligible capital cost;
 - g. Mobility management;
 - (1) The promotion, enhancement, and facilitation of access to transportation services, including the integration and coordination of services for individuals with disabilities, older adults, and low-income individuals;
 - (2) Support for short-term management activities to plan and implement coordinated services;
 - (3) The support of state and local coordination policy bodies and councils;
 - (4) The operation of transportation brokerages to coordinate providers, funding agencies, and customers;
 - (5) The provision of coordination services, including employer-oriented transportation management organizations, transportation management associations, business improvement districts or other like organizations, and human service organizations' customer-oriented travel navigator systems and neighborhood travel coordination activities such as coordinating individualized travel training and trip planning activities for customers;
 - (6) The development and operation of one-stop transportation traveler call centers to coordinate transportation information on all travel modes and to manage eligibility requirements and arrangements for customers among supporting programs; and
 - (7) Operational planning for the acquisition of intelligent transportation technologies to help plan and operate coordinated systems inclusive of geographic information systems (GIS) mapping, global positioning system (GPS) technology, coordinated vehicle scheduling, dispatching and monitoring technologies, as well as technologies to track costs and billing in a coordinated system and single smart customer payment systems.
 - h. Acquisition and Reconstruction of "Associated Capital Maintenance" Items. The acquisition and reconstruction of associated capital maintenance items are capital expenses, subject to the certain provisions.
 - i. Preventive Maintenance;
 - j. Transit-Oriented Development;
 - k. Joint Development Projects;
 - l. Technology Introduction;
 - m. Projects to Comply with the Clean Air Act (CAA);
The following projects are eligible in any area of the country, and are specifically eligible in order to comply with CAA for nonattainment or maintenance areas and include:
 - (1) purchasing or leasing clean fuel buses including buses that employ a lightweight composite primary structure;
 - (2) constructing or leasing clean fuel buses or electrical recharging facilities and related equipment for such buses;
 - (3) constructing new or improved existing public transportation facilities to accommodate clean fuel buses; and
 - (4) at the discretion of the secretary, may include projects located in nonattainment or maintenance areas relating to clean fuel, hybrid electric, or zero emissions technology buses that exhibit equivalent or superior emissions reductions to existing clean fuel or hybrid electric technologies. The vehicles must be powered by clean natural gas (CNG), liquefied natural gas (LNG), batteries, or by hybrid electric or fuel cell systems.
 - n. ADA Complementary Paratransit Service under certain provisions;
 - o. Leasing Capital Assets;
 - p. Capital Cost of Contracting;
 - q. Rail Trackage Agreements;
 - r. Crime Prevention and Security Projects;
Eligible capital projects related to crime prevention and security activities include, but are not limited to:

- (1) Increased lighting in or adjacent to a public transportation system.
 - (2) Increased camera surveillance of an area in or adjacent to a public transportation system.
 - (3) Providing emergency telephone lines in or adjacent to a public transportation system to contact law enforcement or security personnel.
 - (4) Any other capital project intended to increase security and safety of public transportation.
- s. Project Administration.

3. Employee Training Expenses

- a. Education and Training;
- b. Public Transportation Safety Certification Training.

4. Operating Assistance

FTA provides funding to eligible recipients for costs incurred in the operation of public transportation service, under certain parameters. In general, operating expenses are those costs necessary to operate, maintain, and manage a public transportation system. Operating expenses usually include such costs as driver salaries, fuel, and items having a useful life of less than one year.

5. Job Access and Reverse Commute Projects

A job access and reverse commute project is defined in 49 U.S.C. 5302(9) as: “a transportation project to finance the planning, capital and operating costs that support the development and maintenance of transportation services designed to transport welfare recipients and eligible low income individuals to and from jobs and activities related to their employment, including transportation projects that facilitate the provision of public transportation services from urbanized areas and rural areas to suburban employment locations.” In order for a job access and reverse commute project to receive funding under Section 5307, it must meet certain requirements.

Section 5337

The State of Good Repair grants program provides financial assistance to public transit agencies that operate rail fixed-guideway and high-intensity motorbus systems for the maintenance, replacement, and rehabilitation of capital assets, along with the development and implementation of transit asset management plans. These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development.

Eligible recipients are state and local government authorities in urbanized areas with rail fixed guideway and high intensity motorbus systems that have been in operation for at least 7 years. Eligible projects are those that maintain, rehabilitate, and replace capital assets, as well as projects that implement transit asset management plans. Additional details may be found on FTA’s [fact sheet](#).

Section 5339

Funds under the Section 5339 Bus and Bus Facilities program are made available to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities.

Eligible recipients include designated recipients that operate fixed route bus service or that allocate funding to fixed route bus operators, and state or local governmental entities that operate fixed route bus service that are eligible to receive direct grants under 5307 and 5311. Eligible projects include capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities. Planning activities, preventive maintenance activities (other than bus overhauls), and mobility management activities are not eligible. Additional details may be found on FTA’s [fact sheet](#).

General Background—Applying for an FTA Grant

Described below are the three designations of sponsors of eligible transit projects:

- Designated recipient
 - A *designated* recipient is an entity designated, in accordance with the transportation planning process in 49 U.S.C. 5303 and 5304, by the governor of a state, responsible local official, and publicly owned operators of public transportation, to receive and apportion amounts of FTA funds to small and large UZAs.
 - To be selected as a designated recipient, an entity must be a public body with the legal capacity to perform all of the following responsibilities:
 - Receive and dispense Federal funds for transit purposes;
 - Submit projects to be included and considered in the annual elements of the region's Transportation Improvement Program through its metropolitan planning organization (i.e., PSRC for its region);
 - Submit grant applications to FTA; and
 - Enter into formal grant agreements with FTA.
- Direct recipient
 - A *direct* recipient is a public entity that is legally eligible under federal transit law to apply for and receive grants directly from FTA, but is not a designated recipient. The amount of funds available to direct recipients is determined cooperatively by public transit providers, the metropolitan planning organization, and the designated recipient(s) for that UZA, in adherence with federal planning requirements and communicated to FTA by the designated recipient.
 - Additionally, a direct recipient's FTA grant must be accompanied by a supplemental agreement prior to FTA approving the grant. The supplemental agreement permits the direct recipient to receive and dispense the Federal funds and sets forth that the grant recipient is assuming all responsibilities of the grant agreement. The supplemental agreement is signed by both a designated recipient and the direct recipient.
- Subrecipient
 - A designated or direct recipient may serve as a pass through to a *subrecipient* to carry out an eligible transit project. For example, sub-recipient arrangements may be utilized to allocate funding to projects undertaken by a smaller cooperating agency on behalf of a designated or direct recipient, or to a private nonprofit organization that is responsible for a job access and reverse commute project within or near the service area of a designated or direct recipient.
 - Unlike supplemental agreements between a direct recipient and a designated recipient, a sub-recipient arrangement does not relieve the recipient of its responsibilities to carry out the terms and conditions of the grant agreement.
 - To establish a sub-recipient arrangement, the designated or direct recipient must:
 - Enter into a written agreement with the sub-recipient that assures FTA that the sub-recipient will comply with its obligation to satisfy the requirements of the grant agreement;
 - Inform the FTA regional office of the arrangement in its grant application or through other documentation; and
 - Inform FTA of any changes in that arrangement during the life of the project.