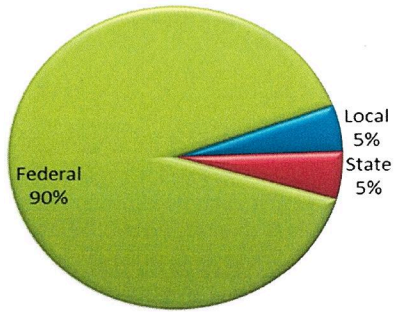


# AIP 101

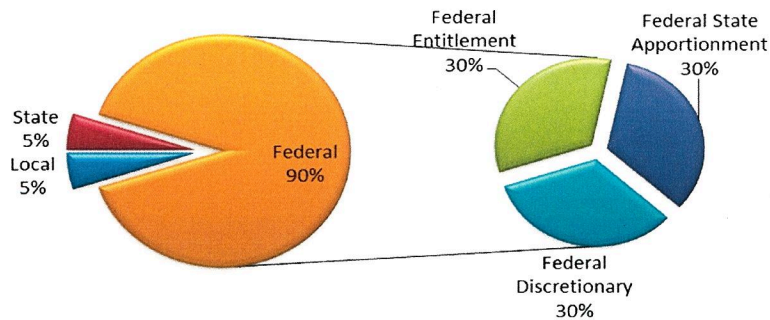
## Project Funding

### Project Funding



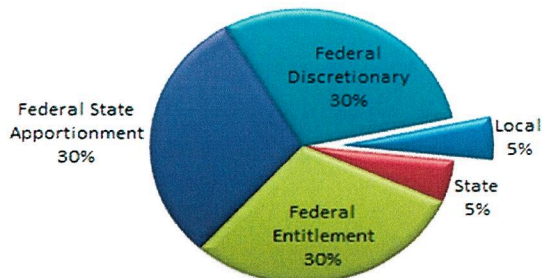
A Federally funded project typically gets funding from three sources, local, State, and Federal funding.

### Federal Funds



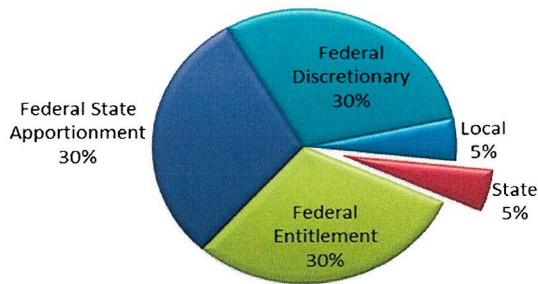
The Federal portion of the funding can come from three different "pots" of money, airport entitlement, state apportionment, and discretionary.

### Local Funding



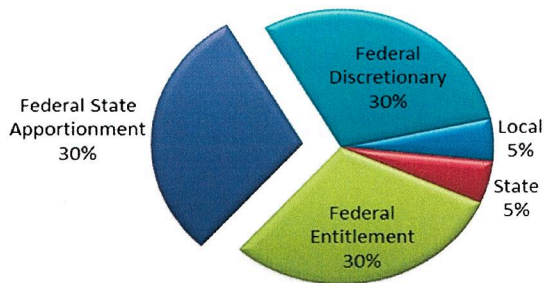
Local funding is the portion the airport must contribute to a project. This comes from airport revenue such as hangar rental, mill levies, user fees, Passenger Facility Charges (PFC), fly-in pancakes breakfasts and similar sources. The percentage typically is 5% of the project but can vary depending on in-eligible portions of a project and the availability of Federal and State funding.

## State Funding



State funding is funding provided by the State for a project. The state funding can cover the entire local share, none of the local share, or anything in between. Typically the State will provide half the local share, or about 5% of the project.

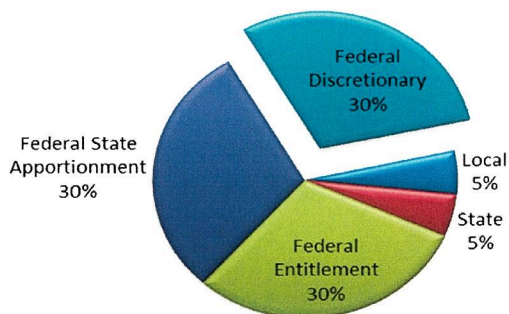
## State Apportionment Funding



State Apportionment is Federal funding distributed or apportioned to each state to be used for projects that are a high priority for the state. Characteristics of State Apportionment are:

1. Can only be used at GA and Commercial Service Airports
2. Not allowed for terminal buildings, revenue producing facilities, or parking lots.
3. Usually used to supplement projects too large for the amount of entitlement funds available.

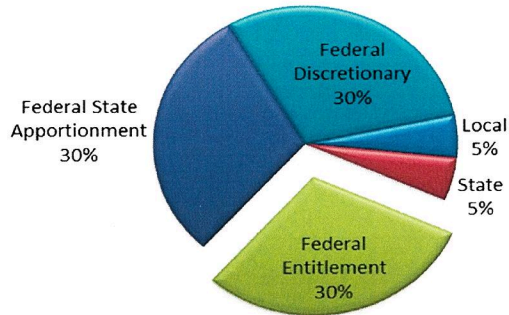
## Discretionary Funding



Discretionary is Federal funding received at the regional office level. Characteristics of discretionary are:

1. Projects compete with other projects in the region.
2. Must be requested 3 years in advance to be added to the list of projects.
3. Must have planning and environmental complete half a year in advance of the fiscal year the grant will be awarded.
4. Can not be put towards projects already completed.
5. Usually used to supplement projects too large for the amount of entitlement funds available.

## Entitlement Funding



Entitlement funds are Federal funds distributed to individual airports. Characteristics of entitlement funding are:

For primary airports (airports with more than 10,000 enplanements per year):

1. Increases as passenger enplanements and cargo increases.
2. Starts at a minimum of \$1,000,000 per year.
3. The funds expire after 3 years.

For General Aviation and Commercial Service Airports:

1. Receive \$150,000 per year.
2. Expires after four years.
3. Can multi-year up to the end of the authorization.
4. Can use for hangars and fuel farms if aeronautical needs are met.
5. Can be used for past projects.
6. Can be transferred to another eligible airport
7. At \$150,000 a year, this equate to \$3,000,000 every twenty years.

## How to get a Federal AIP grant

1. First see if your proposed project can meet the requirements for getting a grant:
  - a. Is the project eligible?  
All eligible projects are listed in the AIP handbook. If it is not listed as eligible in the AIP handbook, then it is not eligible.
  - b. Is the project justified?  
The airport sponsor must show that there is a need for the project. For example, do they need to construct a 5,000 foot runway or would 3,600 be enough?
  - c. Is the project on airport property (with good title)?  
The proposed investment must be adequately protected.
  - d. Is the project on the FAA approved airport layout plan?  
The sponsor may need to do a update to the ALP if a project is not shown on the approved ALP.
  - e. Has the sponsor satisfied the intergovernmental review and airport user consultation requirements?
  - f. Has the FAA completed an environmental finding for the project?  
If a project is not included in an environmental review, it cannot be put under grant.

- g. Will the project result in a usable unit of work?  
If a project is split into more than one phase, the project must be completed, with or without additional FAA funds or the money must be returned.
- h. Will the project be planned, designed, and/or constructed to FAA standards?  
The FAA has time proven construction standards and design standards that are expected to be used for projects unless otherwise approved by the FAA.
- i. Has the project been procured correctly?  
Competitive procedures must be used for hiring contractors and acquiring equipment.
- j. Are the project costs allowable?  
Similar to item B above, is there just cause for this expense?
- k. Are the project costs necessary to accomplish the project (Allowable Rule #1)?  
Any items not specifically mentioned in the grant or required to complete what is mentioned in the grant cannot be funded with the grant.
- l. Were the project costs incurred after the grant was executed (Allowable Rule #2)?
- m. Are the project costs reasonable (Allowable Rule #3)?
- n. Is this the only federal grant containing these project costs (Allowable Rule #4)?  
The sponsor can not get Federal funds to cover their share or double up on the Federal share.
- o. Are the project costs within the allowable federal share (Allowable Rule #5)?
- p. Can the project be completed without unreasonable delay?

2. Submit a Capital Improvement Plan. The FAA usually asks for them in December of the previous year to the project.

3. Hire a consultant if so desired.

4. Submit a pre-application to the FAA, usually in the December of the fiscal year of the project. The pre-application should have the environmental, construction safety/phasing plan, and other required documentation requested on the form included or identify when it will be submitted. Coordination for environmental, planning, and reimbursable agreements may take substantially longer for more complex projects and require starting up to two years earlier.

5. The FAA will start the grant process, and notify the airport when it should go out for bids.

6. Once the airport has received the bids, it sends the application to the FAA.

7. The FAA writes the grant and sends it to the sponsor for signature.

8. The sponsor signs the grant, returns the original back to the FAA, and begins the project.

9. The sponsor finishes the project and submits a closeout to the FAA.