



1500 - Grant Payments

This section provides supplemental guidance intended to assist Sponsors with making requests for reimbursement for the Federal share of project costs that are eligible under their Airport Improvement Program (AIP) grant.

Users of this guide shall note the obligation for any required action addressed within this guidance originates within applicable Federal directives such as United States Code (USC), Public Law (PL), Code of Federal Regulations (CFR) and official FAA policies.

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1510 - DELPHI eInvoicing System

Delphi eInvoicing is the U.S. Department of Transportation's (DOT) web-based portal that grantees use to electronically request payment and monitor payment status. This automated system integrates the electronic invoicing system with the DOT's core accounting system (Delphi) to allow the efficient and accurate processing of grant payments. In August 2012, the eInvoicing system replaced the FTA ECHO system.

DELPHI eInvoicing Access Requirements

Grantees are required to have electronic internet access in order to use the Delphi eInvoicing system. Before a user can gain access to the eInvoicing system, the DOT must authenticate and verify each user. This eAuthentication process requires the user to complete an online registration that includes a Proof of Identify form. Once complete, the DOT will validate the form information and either approve or disapprove access. Approved users will receive an e-mail with user name and password.

Refer to the [Delphi eInvoicing System](#) website for additional information and guidance regarding eAuthentication.

DELPHI eInvoicing Training and Guidance

Web based trainings, user manuals and quick reference guides are available at the [Delphi eInvoicing System Training Materials](#) webpage.

Sponsor Updates

Whenever a Central Region Sponsor needs to change their authorized person or revise their bank account information, the Sponsor must first contact the Central Region Fiscal Control Specialist at (816) 329-2641. At that time, the Sponsor will receive instructions regarding how to update their account information.

RESOURCES

Guidance

- [DELPHI eInvoicing System – Desktop User Guide](#) (pdf) – Grant Recipient



1520 - Making the Grant Drawdown

General

The Office of Management and Budget (OMB) Circulars A-102 and A-110 as well as 31 CFR Part 205 govern payments to recipients for financing operations under Federal grant programs. These regulations require that payment to a grantee be limited to the minimum amounts needed to meet the actual, immediate cash requirements of the grantee as they carry out the approved project. AIP Sponsors may not seek reimbursement of eligible costs prior to incurring those costs.

Drawdown Frequency

Sponsors should strive to make drawdowns within a reasonable timeframe (i.e. 30 days) after receiving invoices for services, equipment or construction. We caution Sponsors that prolonged drawdown inactivity (i.e. 12 months) may be sufficient cause for the FAA to recover the funds by closing the grant.

Prior to Making Drawdown Transaction

Federal Regulation 49 CFR Part 18.42 requires grantees to maintain pertinent project accounts and records that fully support all project transactions and that fully disclose the disposition of all grant proceeds. To facilitate this effort, we recommend the Sponsor apply the following steps when preparing to make a drawdown against their AIP grant.

1. Assemble Cost documentation
 - Invoices
 - Billing statements
 - Construction Progress Payment Reports
2. Identify Nonparticipating Costs
 - AIP Ineligible costs
 - Costs addressed under another AIP grant
 - Costs addressed under a separate grant program (i.e. State)
3. **(Required Action)** Prepare an Invoice Summary
 - a) Each drawdown transaction must include an acceptable invoice summary as supporting documentation.
 - b) Refer to AIP-1530 for additional guidance
4. **(Sponsor Option)** Prepare a SF-270 (Non-Construction) or SF-271 (Construction) form
 - a) Current AIP policy does not require submittal of a SF-271 with each drawdown a Sponsor makes. Refer to AIP-1540 for information regarding frequency of financial reports.
 - b) The preparation of a SF-270/271 outlay with each drawdown transaction may be beneficial to the Sponsor because it:
 - Allows a cumulative accounting of AIP costs versus AIP Federal share
 - Establishes a record that allows future troubleshooting if the Sponsor makes an error on a subsequent drawdown
 - Is similar to what is required with other Federal grant programs.



Grant Number Change!

Starting in July of 2012, all future grants will now use a three digit numeral designation. For example, grant number # - ## - ##### - **33** under the previous format will now be # - ## - ##### - **033** under the new format.

Drawdown requests for grants established in July 2012 and after must use the new format in order to process a request within eInvoicing. Please use the previous format for grants established prior to July 2012.

Making the Drawdown Transaction

Log into eInvoicing system and select "Create Standard Invoice"

- 1) Input general invoice information (number, description, amount, etc.)
- 2) Attach current Invoice Summary (Refer to AIP-1530)
 - Do not upload copies of actual vendor invoices unless explicitly required by the FAA Project Manager.
 - Do not upload the SF-271 or the SF-425
- 3) Identify period of performance

The Sponsor may expect to receive payment within 48 hours of making the transaction.

Questions/Problems

If you are having difficulties accessing the eInvoicing system or completing a transaction, please contact the Delphi eInvoicing helpdesk at 1-866-641-3500. The helpdesk is available 6 am (ET) - 9PM (ET) Monday through Friday.

RESOURCES

Guidance

- [DELPHI eInvoicing System](#) – US DOT Website
- [DELPHI eInvoicing System – Desktop User Guide](#) (pdf) – Grant Recipient



1530 - Invoice Summary

All drawdown requests made under the DELPHI eInvoicing System must include an invoice summary as supporting documentation for the transaction. The completion of an SF-270 or SF-271 does not fulfill this requirement.

For those AIP Sponsors assigned a nominal risk designation, which represents the majority of AIP Sponsors, the invoice summary represents the only documentation they need to upload with each drawdown transaction. Sponsors that have an elevated risk designation (moderate or high) will need to upload additional documentation such as detailed invoices and billing statements along with the invoice summary. Sponsors may contact their FAA project manager to determine their current assigned risk level.

Regardless of assigned risk level, the Sponsor must maintain all pertinent records and accounts that fully support the claimed cost (49 CFR Part 18.42).

Invoice Summary Elements and Format

The FAA does not prescribe the exact format of the invoice summary. However, the invoice summary must include specific information and elements as listed below. Sponsors may customize their invoice summary to meet their own accounting needs provided it includes the following information:

General Information

- Sponsor Name
- Airport Name
- Sponsor Address
- AIP Grant Number
- Brief Description of Project
- Current reimbursement number (e.g. Drawdown No. 5)
- Federal Share Percentage (e.g. 90%)

Invoice Information

- Vendor Name (i.e. Consultant, Contractor, etc.)
- Brief Description of Service or Expense (e.g. design services)
- Invoice Number
- Invoice Date and when payment due
- Invoice Amount
- Cost allocation (AIP/Non-AIP)

Additional Invoice Summary Guidelines

- a) The invoice summary should only address one specific AIP grant.
 - Sponsors shall avoid combining invoice summaries for different grants.
- b) The invoice summary can address multiple vendors that apply to a grant project.
 - A separate invoice summary for each individual vendor invoice is not necessary.
- c) The sponsor may track all invoices submitted previously to the current drawdown transactions.
 - This cumulative approach allows the Sponsor and the FAA Project Manager to quickly determine what has transpired to date.



- d) Where appropriate, we recommend the Sponsor identify the original contract amount along with payments made to date.
- This allows for a quick relative assessment of the progress made to date.

Sample Invoice Summary

For benefit of our Sponsors, we have prepared a suggested Invoice Summary Spreadsheet Template that includes the required information and elements.

Download:

- [Invoice Summary Template](#) (xlsx)
- [Instructions and Guidelines](#) (pdf)

Users may apply this template in various ways to suit their own individual needs while meeting the FAA submittal requirements. Since the Sponsor is fully responsible for the preparation and submittal of all required financial documentation associated with the grant, the template does not include formulas. The Sponsor remains responsible for establishing formula relationships they believe will facilitate use of the form.

The following Samples demonstrate different ways to use this template when preparing an invoice summary. We are also providing a select sampling of vendor invoices for illustrative purposes only.

Sample Invoice Summaries by Project Type	Examples of Vendor Invoices
Planning Project	<ul style="list-style-type: none"> • Planning Consultant
Development Project (Individual)	<ul style="list-style-type: none"> • Design Consultant (LS) • Construction Services (CPFF) • Construction Pay Application
Development Project (Cumulative)	<ul style="list-style-type: none"> • Design Consultant (LS) • Construction Services (CPFF) • Construction Pay Application
Equipment Project	<ul style="list-style-type: none"> • Equipment Shipping Invoice
Land Project	



1540 - Financial Reports

Federal Regulation 49 CFR Part 41 establishes financial reporting requirements for Sponsors that receive an AIP grant. This regulation allows the FAA to prescribe the frequency of such reports.

Reports required on a quarterly basis are due no later than 30 calendar days after the end of the quarter. Reports that are due on an annual basis are due no later than 90 days after the end of the Federal fiscal year.

Project Closeout

In addition to the interim financial report submittals, the Sponsor must also submit final reports at the end of the project. Refer to AIP Sponsor Guide AIP-1600 for complete requirements for grant closeout.

AIP Financial Reports

The following table indicates submittal frequency for the applicable financial reports based upon current FAA policy.

Form	Description	Quarterly	Annually	Close-out
SF-270	Request of Reimbursement – Non-Construction	No	Yes	Yes
SF-271	Outlay Report – Construction	No	Yes	Yes
SF-425	Federal Financial Report	No	Yes	Yes



1550 - Payment History

Sponsors that desire to verify AIP payment history are encouraged to utilize the U.S. Department of Treasury's [Invoice Payment Platform \(IPP\)](#) system. Sponsors should instruct their auditor that conducts the OMB-133 audit to use this system to verify payments made during a given fiscal year.

Sponsors may also contact the FAA accounting office in Oklahoma City, OK when requesting confirmation of Federal funds received. Sponsors should avoid instructing their auditors contact the FAA project manager for this information.

FAA Accounting
AMZ-110
PO Box 25710
Oklahoma City, OK 73125

(405) 954-8856



1560 - Improper Payments

Definition

OMB Circular 123 defines an improper payment as any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. This includes the following:

- Overpayments and underpayments
- Inappropriate denial of payment or service
- Payments made to an ineligible recipient
- Payments made for an ineligible service
- Duplicate payment
- Payments for services not received

Additionally, when an agency's review is unable to discern whether a payment is proper due to insufficient documentation, such payments are considered an error and thus improper.

Sponsor's Action

Sponsors shall immediately notify the FAA project manager any time they discover an improper payment. The Project Manager will discuss what corrective actions the Sponsor must take. In the case of an overpayment, the Sponsor will need to submit a credit memo within the eInvoicing system.

Common Examples of Improper Payments

Listed below are some common situations that qualify as an improper payment.

1. **Seeking payment for 100% of received invoices:**

AIP participation is limited to a percentage of incurred eligible costs. For general aviation, reliever and small primary and non-primary commercial service airports, the AIP share is currently set at 90% of incurred eligible costs. The AIP share for large and medium hub commercial service airports is 75%. A Sponsor that claims 100% of incurred costs at any time during the project meets the definition of an improper payment. Such action would represent a violation of Federal Regulations and sponsor assurances.

As a best practice, Sponsor's should not make reimbursement under an AIP project until they prepare a proper SF-271 form. Line "u" of the completed SF-271 represents the AIP reimbursement amount. Clerks that simply apply the AIP participation rate to a submitted invoice total may inadvertently participate in non-participating costs resulting in an improper payment.

2. **Sponsors seeking reimbursement under the wrong grant:**

A grant agreement is a contract between the FAA and the Sponsor for specific and defined work. Seeking reimbursement for costs not associated with the grant work description represents a lack of internal control and represents an improper payment.

As a best practice, the person making the actual drawdown should keep informed on what grant agreements are active. They should base any reimbursement request upon on the grant number identified on the completed SF-271 form.



3. **Sponsor Seeking reimbursement without proper documentation:**

Occasionally, sponsor may seek reimbursement of an incurred cost, but either loses or does not retain the associated invoice or billing statement. Although the cost may otherwise be eligible, since a third party audit cannot verify the cost, the FAA could disallow the cost. This lack of cost documentation represents inadequate financial control and is thus an improper payment.

As a best practice, the sponsor should attach copies of all billing statements, invoices and other cost documentation to the completed SF-271 form. This practice will allow a third party to confirm the costs are proper and correct.

4. **Sponsor including retainage costs in the construction costs:**

Sponsors may only claim costs that they have actually incurred. The method a sponsor uses to apply retainage can create a situation of an improper payment.

The conventional practice for a Sponsor is to retain 10% of completed work until the work is complete and they accept the project. Under this approach, Sponsors cannot seek reimbursement of the 10% retainage on any interim drawdown requests. At the completion of the project, the Sponsor accepts the project from the contractor and subsequently releases retainage. Once the sponsor incurs this cost at acceptance, the Sponsor can seek AIP reimbursement of the retainage. Seeking reimbursement of retainage prior to acceptance represents an advance to the Sponsor for costs they have not yet incurred. This represents an improper payment

The exception to the above is the application of escrow accounts. Under this scenario, the Sponsor addresses retainage through payments to a legal third party escrow account. Disbursement of the escrow account may not occur until the Sponsor accepts the project. Under this scenario, the Sponsor is incurring the cost of the retainage at the time they make payment to the escrow account. This action permits the Sponsor to seek reimbursement of the incurred retainage payment.