United States Department of Transportation

Federal Motor Carrier Safety Administration

Fiscal Year 2014 – New Entrant Grant
Notice of Funding Availability

The U.S. Department of Transportation (US DOT) Federal Motor Carrier Safety Administration (FMCSA) announces the Fiscal Year (FY) 2014 New Entrant grant program funding opportunity. This document will assist you by providing important information about the New Entrant program, including the FY 2014 priorities and critical information related to preparing and submitting a grant application. All applications must be submitted through Grants.gov by 11:59 P.M. (EST) on August 26, 2013.

The Catalog of Federal Domestic Assistance (CFDA) number for this grant is 20.218.

Important Information for FY 2014:

- This Notice of Funding Availability (NOFA) establishes minimum requirements for FY 2014 submissions. Please review the **entire** document before submitting an application.
- All FY 2014 New Entrant applications must be submitted in accordance with this NOFA. The cost of activities associated with conducting safety audits of new entrant motor carriers are not eligible expenditures under any other FMCSA grant program. All grant funding for these activities must be requested by an applicant and approved by FMCSA through this grant program.
- The FMCSA cannot evaluate applications received without the complete set of required forms and attachments; all application section elements and all documents must be submitted (see Section IV). A checklist specifically detailing each required document and its source is located in Appendix A.
- The FMCSA is not providing a project narrative or budget template for the New Entrant program for FY 2014 applications. All applicants must review the "Application Requirements" part of Section IV for details on information to be included in the application.
- Application review information is clarified to include FMCSA expectations and evaluation criteria (see Section V).
- All Applicants must submit a current FMCSA Administrative Capabilities Questionnaire if one has not already been submitted.
- Applicants must agree to comply with the FMCSA Financial Assistance Agreement General Provisions and Assurances throughout the grant period of performance in order to execute the grant agreement and before grant funds are awarded (see Section VI).
- Applications from local law enforcement agencies or entities will be given to that

State's lead MCSAP agency for review and comment. The FMCSA will consider comments provided by the State lead MCSAP agency but FMCSA will retain, at its sole discretion, the final funding recommendation determination. NOTE: Although the consent and/or approval of the State lead agency is not required for application submission, the informal partnership between local jurisdictions and State lead agencies is an important element of program effectiveness. It is recommended that local jurisdictions filing applications obtain the most recent copy of the State MCSAP Commercial Vehicle Safety Plan (CVSP) from the State or from FMCSA in order to link the project into the overall State Commercial Motor Vehicle (CMV) safety plan.

- Visit the System for Award Management (SAM) at *https://www.sam.gov/sam/* to ensure your organization is properly registered to apply for Federal grants. This system includes the former Central Contractor Registration system, the Federal Agency Registration, the Online Representations and Certifications Application, and the Excluded Parties List System.

Section I: Funding Opportunity Description

The FMCSA announces the availability of New Entrant funding as authorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Pub. L. No. 109–59, § 4107(b), 119 Stat. 1144, 1720 (2005), as amended by the Moving Ahead for Progress in the 21st Century Act (MAP-21), Pub. L. No. 112–141, § 32603(e), 126 Stat. 405, 807, 808 (2012) to perform safety audits on new entrants. New Entrant grants are governed by 49 United States Code (U.S.C.) §§ 31104(a), 31144(g)(5) (2006), *as amended* and 49 Code of Federal Regulations (CFR) §§350.313, 350.321, and 350.329.

Pursuant to Section 32102 of MAP-21, after a new entrant motor carrier satisfies all applicable pre-operational requirements, it is subject to the new entrant safety monitoring procedures for a period of 18 months. Any carrier whose entry date into the new entrant program is on or after October 1, 2013, must undergo a new entrant safety audit within 12 months for motor carriers and 120 days for motor carriers that transport passengers. In accordance with 49 CFR Part 385 Subpart D, the carrier will still be subject to an 18-month monitoring period during which the carrier's roadside safety performance will be closely monitored to ensure the new entrant has basic safety management controls that are operating effectively.

In accordance with 49 CFR § 350.321, eligible applicants for New Entrant funding are State agencies, including the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands, and local governments.

Program Goals – FY 2014 National Priorities

The goal of the New Entrant program is to reduce the number and severity of commercial motor vehicle-involved crashes, fatalities, and injuries by reviewing new interstate motor carriers to ensure that they have effective safety management programs.

For FY 2014, National Priorities for this program include:

- Processing and completing safety audits within the new statutory time limits:
    - Entry date into the New Entrant program (as shown in FMCSA data systems) September 30, 2013 or earlier: safety audit must be completed within 18 months;
    - Entry date into the New Entrant program (as shown in FMCSA data systems) October 1, 2013 or later: safety audit must be completed within 12 months for all motor carriers and 120 days for motor carriers of passengers.
- Developing innovative methods to streamline the safety audit process to reduce costs and improve the efficiency of the new entrant program within the State (e.g., group audits coordinated in advance to take place at a specified time and location).
- Cost associated with participating in FMCSA's offsite new entrant demonstration project (only those States that are currently participating in this effort are eligible).

Section II: Award Information

Available Funding

i. For FY 2014, FMCSA anticipates awarding a total of $32,000,000 in New Entrant funding (subject to availability of funds).

ii. The FMCSA will reimburse up to 100 percent (100%) of the eligible costs incurred in the administration of an approved program plan. There are no matching or cost sharing requirements.

iii. If an Applicant accepts a grant awarded under this program, it is responsible for all project expenses that exceed the awarded amount. If the amount awarded is less than the amount of funding requested, Applicants are required to submit a revised budget and project plan prior to award to ensure that the project remains feasible at a reduced level of funding.

Cost Requirements

Costs charged to FMCSA grants must be in accordance with the applicable cost principles contained in 2 CFR Part 225 (Cost Principles for State, Local, and Indian Tribal Governments). All reimbursable items *must* be allowable, allocable, reasonable, and necessary, as established in these guidelines and the FMCSA Grants Management Manual – Grantee version to accomplish the goals of the program (see http://www.fmcsa.dot.gov/about/GRANTS/grantee-resources.aspx). These standards are described in the applicable cost principle statutes and administrative requirements. Refer to the following for more information:

- 49 CFR Part 18 (Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments);
- 49 CFR Part 350 (Commercial Motor Carrier Safety Assistance Program).

Safety audits conducted on *intrastate* motor carriers are not eligible for reimbursement under the New Entrant grant program. The proposed eligible carrier investigations or driver/vehicle inspections must be consistent with FMCSA's New Entrant Cost Eligibility Memorandum which limits the number of non-audit activities permitted with New Entrant grant funds; see Appendix C for additional guidance. The eligibility of specific items is subject to review by FMCSA. For assistance during the pre-application phase, Applicants may contact the FMCSA grant program manager for guidance on any questioned activities or items; see Section VII for contact information.

The application's Budget Narrative should justify each of the costs being requested on the SF-424A Budget Information form. The Budget Narrative should show how the amounts were determined. The Budget Narrative should explain in short, concise language why the costs are necessary, reasonable and allocable to the project in order to satisfy the governing cost principles. A Budget Narrative guidance document is provided for your reference in Appendix B.

While the costs associated with contractors and sub-grantees should be included on the contractual line of the SF-424A, FMCSA still requires adequate financial documentation to substantiate the associated costs and evaluate the proposal. Details of each contract and sub-grant must be provided as attachments in the application package as part of the Budget Narrative. In addition, if there is another State or local government agency that the Applicant is contracting with or sub-granting to, a copy of the binding agreement (e.g., a Memorandum of Understanding, etc.) must be included as an attachment in the application package. If no agreement has been established for FY 2014 at the time of submission of the application, attach a copy of the most recently executed agreement between the organizations and clarify the intent to enter into an agreement, which can be submitted later, for FY 2014.

The acquisition of real property, land, or buildings is NOT an eligible expense under the New Entrant grant program. The eligibility of specific items is subject to review by FMCSA. Expenses eligible for reimbursement under the New Entrant program include, but are not limited to:

1. Personnel expenses, including recruitment and screening, training, salaries and fringe benefits, and supervision. Personnel expenses included in an organization's indirect cost rate must not be included as a direct cost in the grant budget.
2. Equipment and travel expenses, including per diem expenses directly related to the enforcement of safety regulations, including vehicles, uniforms, communications equipment, special inspection equipment, vehicle maintenance, fuel, and oil.

3. Indirect expenses for facilities, except for fixed scales, used to conduct inspections or house enforcement personnel, support staff, and equipment to the extent they are measurable and recurring (e.g., rent and overhead). NOTE**:** an application containing any indirect costs in its proposed project budget must be accompanied by either the signed current indirect cost rate agreement approved by the cognizant Federal agency or a copy of the request for such an agreement. The cognizant agency will provide the Applicant with a letter that includes the rate, the type of expenses that the rate can be applied to, and the rate's effective dates; these expenses are typically limited to payroll and fringe benefit expenses, but may also include other costs at the cognizant agency's discretion. If indirect costs are not included anywhere in the project's proposed budget, no indirect cost rate agreement is required. Calculated fringe benefits may be included as direct costs, provided the Budget Narrative clearly establishes the basis for the calculation and, at the time of any reimbursement request, the voucher clearly documents the fringe benefits based on actual costs incurred, not by using a percentage method. The documentation required for local jurisdiction indirect cost expenses, sometimes called central service costs, is slightly different. Contact the program manager shown in Section VII for more information.

4. Expenses related to data acquisition, storage, and analysis that are not being requested under any other FMCSA grant program's funding, that are specifically identifiable as program-related, and that are intended to improve efficiency; the proposal should clearly demonstrate the extent to which these costs will directly benefit the New Entrant grant program, pro-rating the expense as applicable. NOTE: all applications containing requested funding for information technology, such as upgrades or modifications to existing software or equipment, are subject to review by FMCSA's Office of Research and Information Technology.

5. Clerical and administrative expenses, to the extent necessary and directly attributable to the New Entrant program.

New Entrant-funded personnel, including sub-grantees, conducting inspections must meet the minimum Federal standards set forth in 49 CFR Part 385 Subpart C and must have access to FMCSA information systems to upload inspection reports.

Equipment included in the budget must be fully described; this description should include enough detail to secure FMCSA approval. Equipment is defined in 49 CFR Part 18 as tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. An applicant must use its own definition of equipment if that definition is more stringent than this standard and if the definition includes all elements of the equipment definition described above. At a minimum, the Budget Narrative shall describe the following:

1. how the item will be used to promote CMV safety;
2. the number and unit cost of items to be purchased;
3. who will be using the item(s);
4. how the item cost/usage will be pro-rated if not fully dedicated to MCSAP; and,
5. the equipment definition threshold used.

Section III: Eligibility Information

In accordance with the provisions of 49 CFR § 350.321, New Entrant funds will be awarded at the discretion of FMCSA to States, including the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands, and to local governments.

Individuals, businesses, and for-profit organizations are not eligible to receive New Entrant funding; applications submitted by any ineligible entity will be disqualified and will not be considered for funding.

To apply for New Entrant funds, a State or local government agency must comply with the provisions of 49 CFR § 350.329.

(a) States must meet the requirements of 49 CFR § 350.201, as applicable.

(b) Local agencies must meet the following nine conditions:

- (b.1) Prepare a proposal in accordance with 49 CFR § 350.213, as applicable
- (b.2) Coordinate the proposal with the State lead MCSAP agency to ensure the proposal is consistent with State and national CMV safety program priorities.
- (b.3) Certify that your local jurisdiction has the legal authority, resources, and trained and qualified personnel necessary to perform the functions specified in the proposal.
- (b.4) Designate a person who will be responsible for implementation, reporting, and administering the approved proposal and will be the primary contact for the project.
- (b.5) Agree to prepare and submit all reports required in connection with the proposal or other conditions of the grant.
- (b.6) Agree to use the forms and reporting criteria required by the State lead MCSAP agency and/or the FMCSA to record work activities to be performed under the proposal.
- (b.7) Certify that the local agency will impose sanctions for violations of CMV and driver laws and regulations that are consistent with those of the State.
- (b.8 Certify participation in national databases appropriate to the project, in coordination with the State lead agency.

The FMCSA strongly encourages the participation of local law enforcement agencies in CMV safety activities either directly or in partnership with State enforcement officers. Any local law enforcement agency applying directly to FMCSA for New Entrant grant funding must demonstrate in its application how it meets these nine conditions. Further, the State MCSAP lead agency will be given the opportunity to independently comment on New Entrant applications submitted by local law enforcement agencies within its jurisdiction; this feedback will be used solely to prevent the duplication of efforts by multiple agencies; FMCSA will make the final funding decisions.

Section IV: Application and Submission Information

Application Information

The FMCSA utilizes Grants.gov (*www.grants.gov*) for accepting New Entrant program applications. All FY 2014 New Entrant applications must be submitted electronically through this site. To apply, the Applicant first must complete the Grants.gov registration process. To register, Applicants should go to *http://www07.grants.gov/applicants/get_registered.jsp* and follow the instructions found on the Grants.gov website by selecting "Get Registered." NOTE: if any of the Applicant organization's information has changed since its last registration, the Applicant must edit its existing account information to reflect those changes in the System for Award Management (SAM) at *www.sam.gov*. The Applicant's Grants.gov user account profile will be updated automatically

The registration process can take as long as four weeks. Due to the possibility of unforeseeable connectivity or technical issues associated with online submission, FMCSA strongly encourages Applicants to submit applications well in advance to allow for additional time if needed, and also encourages Applicants to complete the registration process as far in advance as possible. The Grants.gov website provides customer support through its toll-free number, (800) 518-GRANT, or through e-mail at support@grants.gov. The Grants.gov Contact Center is open 24 hours a day, 7 days a week, except Federal holidays, to address Grants.gov technical issues. The FMCSA does not own or maintain Grants.gov and is therefore unable to provide technical assistance; all technical assistance issues should be directed to the above contact information.

The Applicant must download the grant application package from Grants.gov, complete it, and submit the completed application package with required attachments through Grants.gov on or before the deadline of 11:59 P.M. (EST) on August 26, 2013. The grant application package includes all required forms referenced in this NOFA. Applicants should download the application package as soon as possible during the application preparation process.

If the designated grant official from an Applicant requires special assistance or accommodation associated with submitting this grant application, methods other than Grants.gov are available. Please contact the program manager listed in Section VII of this notice if assistance is required.

Application Requirements (see Attachment A)

All FY 2014 New Entrant program applications must include the following Standard Forms (SF) as provided in Grants.gov:

1. SF-424 – Application for Federal Assistance

This is the standard application form for all requests for Federal assistance. When completing Section F, please ensure that the individual listed as point of contact is knowledgeable about the project(s) listed in the application and can answer relevant questions.

2. SF-424A – Budget Information for Non-Construction Program

This is a standard budget form for requests for Federal assistance. On page 1, the Applicant may indicate up to four (4) projects requested for funding. The Applicant should clearly indicate the title of each project in the boxes provided in Column A. Applicants should indicate $0.00 in Columns C, D, and F as there are no Grantee matching or cost-sharing requirements for New Entrant grants. If there are more than four (4) proposed projects, please only submit the total for all projects on the SF-424A on Grants.gov and then provide the detailed breakdown of each project using the Excel version of the SF-424A form located on the Grantee resources page at *http://www.fmcsa.dot.gov/about/GRANTS/grantee-resources.aspx* as a supplemental form. Applicants may use as many supplemental forms as needed to provide a breakdown of each project. However, please ensure that when combined, the total funding requested on all supplemental forms ties to the total submitted through Grants.gov.

On page 1A, clearly indicate up to four (4) projects listed on page 1 in Rows 1-4 (if applicable) and then fill in the appropriate object class categories in Rows A-K using the object class guidance information at http://www.fmcsa.dot.gov/about/GRANTS/grantee-resources.aspx.

Complete the remaining pages as appropriate. If an additional budget worksheet is necessary to further explain estimated costs, Applicants should attach that document to the Attachments Form explained in # 5 below. Attached budgets should be pre-formatted to print on standard, letter-sized paper (PDF format is preferable). If the Applicant attaches budget worksheets for multiple projects under the same grant application, each project should be clearly distinguished in the document.

3. SF-424B – Assurances for Non-Construction Programs

This is a standard assurances form associated with accepting Federal assistance funds. This assurances document indicates that the Applicant organization is in substantial compliance with various programs, regulations, and Federal laws. This document should not be completed without confirmation from the appropriate agency or State official that the Applicant organization is indeed compliant. The FMCSA and other applicable Federal agencies reserve the right to request further information and/or conduct an audit to confirm compliance as indicated on this form, as provided for in the United States Code or the Code of Federal Regulations.

4. Grants.gov Lobbying Form

This form allows applicants to indicate that they do not engage in lobbying activity. If an Applicant completes this form, the SF-LLL–Disclosure of Lobbying Activities form is not required. If an Applicant does conduct lobbying activities, this should be indicated on the SF-LLL; this form requests information related to the lobbying activities of the Applicant.

5. Attachment Forms

This document is used to submit supplemental attachments to support the grant application. NOTE: Applications received on or before the application deadline without the complete set of required forms will be not be evaluated until all forms are received. **Refer to Appendix A for a list of required forms and their location.**

New Entrant attachments to the application MUST include:

- ✓ the Applicant's FY 2014 Project Narrative, which must include a problem statement, objectives, goals, strategies and activities, benchmarks, timelines, supporting data, an evaluation or monitoring plan (FMCSA strongly encourages the use of the narrative template provided in the application package);
- ✓ a budget narrative explaining each line item requested in the budget, and an explanation of expenditures and activities to date. Refer to Section V – Application Review Information and Appendix B – Budget Narrative Guidance Document for more information;
- ✓ a line-item budget; FMCSA strongly encourages the use of the budget template provided in the application package;
- ✓ a current, approved Indirect Cost Rate Letter, if applicable. For more information on Indirect Cost Rates, please refer to Section II – Award Information;
- ✓ a Key Contacts Form. FMCSA provides specific information regarding which personnel should be included on the Key Contacts Form; see Appendix A; and
- ✓ an FMCSA Administrative Capabilities Questionnaire; see Appendix A.

Budgets and other information in charts or spreadsheets should be pre-formatted for printing on standard size, 8.5 by 11 inch, copy paper. Applicants should not save each application section as an individual document. Attachment file names must be limited to the following characters: A-Z, a-z, 0-9, underscore (_), hyphen (-), space, and period. Using any other characters for attachment file names will cause the application to be rejected by Grants.gov.

Section V: Application Review Information

The FMCSA grant program manager will review all application packages for FY 2014 New Entrant funding for eligibility, completeness, and timeliness of submission. A Technical Review Panel will make subsequent administrative and technical assessments.

The FMCSA provides New Entrant applicants with a project narrative template for their convenience. Applicants are not required to use it. Further, applicants are not required to use the Project Narrative format described in this section of the NOFA. But using one or the other helps ensure that the application meets the established minimum requirements and that the application clearly describes how the applicant will successfully complete all required Safety Audits within the new statutory timelines.

The Project Narrative must include the number of New Entrant safety audits conducted using previously-awarded NE grant funding, and the projected number of audits to be conducted during the new project's period of performance. For each goal identified, the Applicant must provide a problem statement, performance objective, program activity plan, and performance measurement plan. Samples are below.

1) Problem Statement – A brief, quantitative description of the Applicant-identified problem. Include details on the data used to identify the problem and to establish the baseline (include data source, date, and explain how the Applicant collects, maintains, and analyzes the data). Example:

a) The Applicant has used existing State data from the past two years to project a 25% increase during FY 2014 in the number of new commercial vehicle owners and operators that will begin operations during the next 12 months compared to similar data for FY 2012 and FY 2013.

Evaluation Criteria: In reviewing the Problem Statement, FMCSA will consider the extent to which the Applicant's proposal addresses the program goals and FY 2014 priorities established in this NOFA.

2) Performance Objective – A description of the Applicant's quantifiable goal related to the above problem statement. This can be measured in the numerical or percentage reduction of crashes, fatalities, injuries, and/or specified incidents that it anticipates will result from implementing the strategies and activities identified below. Example:

a) The Applicant will complete New Entrant safety audits within three to 12 months of new carrier entry, to ensure that program participants are in full compliance with all CMV safety and hazardous materials regulations.

Evaluation Criteria: In reviewing the Performance Objective, FMCSA will consider the extent to which the Applicant describes sound program goals and objectives that are specific, measurable, and that can likely be achieved during the grant period of performance. The FMCSA will also consider the extent to which the Applicant thoroughly explains why it selected the project goals and objectives to address the need(s) established in the Problem Statement.

3) Program Activity Plan – a description of the activities the Applicant believes will help mitigate the problem. Example:

a) The Applicant will conduct 325 New Entrant safety audits within the required deadline; approximately 75 percent (75%) of these audits will be conducted at the carrier's place of business; the remaining 25 percent (25%) will be conducted at a central location, by appointment.

Evaluation Criteria: In reviewing the Program Activity Plan, FMCSA will consider the extent to which the Applicant describes tasks, activities, benchmarks, and timelines to achieve the project goals.

4) Performance Measurement Plan – a description of how the Applicant will measure progress towards the performance objective goal, such as quantifiable and measurable outputs (hours, carrier contacts, inspections, etc.) and in terms of performance outcomes. The measure must include specific benchmarks that can be reported on in the quarterly progress report, if practicable, or as annual outcomes. Example:

a) The Applicant's New Entrant Supervising Sergeant will review all inspection and audit reports for quality, completeness, and accuracy throughout the month and will hold monthly unit meetings to monitor progress toward program goals.

Evaluation Criteria: In reviewing the Performance Measurement Plan, FMCSA will consider the extent to which the Applicant thoroughly outlines how it will monitor the effective implementation of the strategies and document the project outcomes.

Budget Narrative

This is NOT the line item budget. Rather, this section ***describes*** in a narrative format the costs necessary to complete the proposed tasks and achieve the project goal. The Budget Narrative should thoroughly and clearly justify or explain each Budget Category (Object Class) and follow all guidelines and limitations as provided in the application package. The Budget Narrative must be clear, specific, detailed, and mathematically correct; it should correspond to the information and figures on all budget forms; see Appendix B for additional guidance.

A well-written Budget Narrative ensures that the Applicant has properly documented for FMCSA review and evaluation the costs proposed within the budget to determine the cost eligibility under the applicable Federal costs principles and regulations and to monitor the expenditure of funds during the implementation and execution of the plan. Where appropriate, costs per unit will be calculated and compared with national averages to determine cost-effectiveness. As appropriate, proposed costs will be compared with historical information to confirm reasonableness. The level of detail should be sufficient to justify the funding requested.

Evaluation Criteria: In reviewing the Budget Narrative, FMCSA will consider the extent to which the Applicant describes costs that are allocable, allowable, reasonable, and necessary. The FMCSA may consider any or all of the following questions in its evaluation:

1. How well does the application provide clear explanations of the costs associated with each Budget Category (Object Class)?
2. How well does the Budget Narrative support the funds requested on the application Budget forms?
3. How accurate are the mathematical computations in the Budget Narrative and in other budget forms?
4. How well does the application demonstrate a cost-effective approach that will provide a demonstrable impact on safety as the result of grant funds?
5. Does the application describe proposed project expenditures that are:
    i. Allowable under the cost principles established in this NOFA and all FMCSA cost eligibility policies;
    ii. Allocable specifically to the activities proposed by the application;
    iii. Reasonable in amount and quantity for the activities proposed;
    iv. Necessary to conduct the activities proposed?
6. If applicable, how accurately is an Indirect Cost Rate (IDCR) applied to the budget?
7. If applicable, how accurately are fringe benefit rates applied to the budget?

The FMCSA may also consider the following questions, based on information contained in Agency records; Applicants may include proprietary information to support this section of the application:

1. How well has the Applicant performed in achieving its goals in prior awards from

FMCSA?

2. How effectively has the Applicant utilized proposed funds in previous grants (based on remaining, unexpended balances at the end of similar efforts in previous grants)?
3. What is the actual or estimated amount of funds available for expenditure from previously issued grants for projects similar to those in the application?

Funding Decisions

This is a discretionary grant program. Funding decisions will depend on the quality and completeness of the information provided. The FMCSA does not have an appeals process for unsuccessful applications for discretionary grant funds.

Section VI: Award Administration Information

Upon receipt and approval of the complete New Entrant application package, FMCSA will award funding and enter into grant agreements as soon as administratively practicable. An award recipient will be required to submit a supplemental budget or project narrative for a partial or modified grant award.

Funding amounts made available for reimbursement may be impacted by limitations placed on the spending authority and appropriations enacted for the FMCSA. Funds awarded under this program will not be available for expenditure after September 30, 2015.

Reporting responsibilities include quarterly program performance status using the Performance Progress Report (SF-PPR) and financial reports using the SF-425. The PPR should address any additional questions/factors as deemed appropriate by FMCSA.

Applicants must agree to the FMCSA Financial Assistance Agreement General Provisions and Assurances before grant funds will be awarded. The most recent version of the General Provisions and Assurances, the SF-425,the SF-PPR, and other relevant grant administration requirements and resources are available on the FMCSA website. NOTE: these documents are intended as samples only for application planning purposes, and should not be used to complete the application itself. See *http://www.fmcsa.dot.gov/about/GRANTS/grantee-resources.aspx*.

Section VII: Agency Contact

The New Entrant grant program is managed by the United States Department of Transportation – Federal Motor Carrier Safety Administration – Associate Administrator for enforcement – Office of Safety Programs – State Programs Division.

To obtain further information and guidance concerning Federal Motor Carrier Safety Regulations, the Applicant may contact the FMCSA Field Office in its State or the program manager. For general information about New Entrant funding and requirements, contact:

FMCSA_GrantMgmtHelpdesk@dot.gov, or
Telephone at (202) 366-2967, or
FMCSA, 1200 New Jersey Avenue SE, Washington, DC 20590.
Office hours are from 9 a.m. to 5 p.m., Eastern Time, Monday through Friday, except Federal holidays.

The FMCSA may only provide information to applicants related to the requirements of this NOFA. The FMCSA may not provide technical assistance in the development of a program design or the proposed budget beyond the scope of the information contained in this NOFA.

Section VIII: Other Information

This Grants.gov opportunity is applicable only to New Entrant funding. Applications for related grant programs (specifically MCSAP Basic and Incentive and/or MCSAP High Priority) MUST NOT BE SUBMITTED under this Grants.gov opportunity.

The FMCSA Grant Programs website address is http://www.fmcsa.dot.gov/safety-Security/grants/grants.aspx.

The FMCSA Grantee Resources website address is http://www.fmcsa/dot.gov/about/GRANTS/Grantee-resources.aspx.

APPENDIX A
FY 2014 New Entrant Program
Required Documents Checklist

This checklist includes a list of all required documents, the location of each, and a brief description of the document's purpose. It is provided for your convenience and is not mandatory. The checklist is intended to assist Applicants in ensuring that required forms or information are not accidentally omitted from the application package. All required documents are available by downloading the application kit.

Document Name	Document Description	Document Location	Document Included
SF-424 Application for Federal Assistance	This is the standard application form for all requests for Federal assistance.	Included in the Grants.gov application kit	☐
SF-424A Budget Information for Non-Construction Program	This is a standard budget form for requests for Federal assistance.	Included in the Grants.gov application kit	☐
SF-424B Assurances for Non-Construction Programs	This is a standard assurances form associated with accepting Federal assistance funds.	Included in the Grants.gov application kit	☐
Grants.gov Lobbying Form	This form allows Applicants to indicate that they do not engage in lobbying activity. If an Applicant completes this form, the SF-LLL – Disclosure of Lobbying Activities is not required. If an Applicant does conduct lobbying activities, the SF-LLL form is required.	Both the Grants.gov Lobbying Form and the SF-LLL are included in the Grants.gov application kit	☐

Document Name	Document Description	Document Location	Document Included
Attachment Form, if applicable	This document is used to submit supplemental attachments to support the grant application.	Included in the Grants.gov application kit	☐
Project Narrative	The Applicant's Project Narrative includes the problem statement, performance objective(s), the program activity plan, and the performance measurement plan, as described in Section V of this NOFA.	Template Included in the Grants.gov application kit	☐
New Entrant line-item budget	This spreadsheet should incorporate all costs included in the project's total funding amount.	Template Included in the Grants.gov application kit	☐
New Entrant Budget Narrative	This is NOT the line item budget. Rather, this section ***describes*** in a narrative format the costs necessary to complete the proposed tasks and achieve the project goal. The Budget Narrative should thoroughly and clearly justify or explain each Budget Category (Object Class) and follow all guidelines and limitations as provided in the application package. The Budget Narrative must be clear, specific, detailed, and mathematically correct; it should correspond to the information and figures on all budget forms.	See Appendix B Budget Narrative Guidance Document	☐

Document Name	Document Description	Document Location	Document Included
Current approved Indirect Cost Rate Agreement, if applicable	If an Applicant has included Indirect Costs in its budget, this document from the Applicant's cognizant Federal agency must be included in the application; the Agreement includes the indirect cost rate, the type of expense to which that rate can be applied, and the rate's effective dates. See Section II, Cost Requirements in this NOFA for more information. The documentation required for local jurisdiction indirect cost expenses, sometimes called central service costs, is slightly different. Contact the program manager shown in Section VII of this NOFA.	Available from the Applicant's designated cognizant Federal agency; local jurisdictions may contact the program manager shown in Section VII for more information.	☐
FMCSA Administrative Capability Questionnaire	This questionnaire allows the applicant to self-certify its administrative infrastructure, policies, and resources. If already submitted for a FY 2014 grant, this document is not required.	Included in the Grants.gov application kit.	☐

Document Name	Document Description	Document Location	Document Included
Key Contacts form	The Key Contacts form is used to provide the names of the State's designated point of contact and signatory. When completing this document, use the following guidance: Contact 1 – Authorized Signer – the "**ADO**" role in GrantSolutions. This individual is typically the head of the organization or a designee (e.g., Colonel, Director, Commissioner, etc.) who is authorized to sign and accept awards on behalf of the organization. Contact 2 – Point of Contact – the "**PI/PD**" role in GrantSolutions. This individual is typically the project/program manager (e.g., Unit Commander, project Coordinator, etc.) who will have daily oversight in implementing the program. This individual can view grant documents in GrantSolutions, but cannot sign them on behalf of the organization. Contact 3 – Coordinator of Administrative Responsibilities – the "FO" role in GrantSolutions. This role is typically performed by a grant, finance, or administrative/program specialist who monitors grant program finances, provides clarification on financial information such as budget detail, Single Audit information, invoice supporting documentation, and so forth. This individual will be authorized to		☐

Document Name	Document Description	Document Location	Document Included
	upload reporting documents to GrantSolutions but cannot accept an award on behalf of the organization.		

APPENDIX B

FY 2014 New Entrant Grants
Budget Narrative guidance document

A Budget Narrative should justify each of the costs being requested on the SF-424A, Budget Information form and the application's line item budget. A Budget Narrative should show how the amounts were determined Please note that each subtotal reported on the line item budget should match the corresponding object class categories on the SF-424A. The Budget Narrative should explain in short, concise language why the costs are necessary, reasonable and allocable to the project in order to satisfy the governing cost principles.

The FMCSA routinely has difficulty assessing line item budgets because the Budget Narrative does not contain all the information needed. For example, insufficient detail makes it difficult to determine the number of personnel to be charged to the grant; whether they are full time or part time; the unit cost for equipment and supplies, etc. As a result, FMCSA must postpone completion of its review until the Applicant has clarified or explained the costs in greater detail, which delays the application's progress through the evaluation process. Applicants are strongly urged to use this document as a guide in completing the Budget Narrative so that a thorough review of expenses can be expedited.

The examples provided in this document are purposely simplified. Be certain to provide sufficient detail to support the expenditures included in your line-item budget.

PERSONNEL

Explain how employee allocation of time (either in Full Time Equivalents (FTEs) or hours dedicated) is charged to the grant, and whether or not all the costs pertain to these employees. Contractors should not be included in this budget category.

***Poor example**:* Fifty one officers work on MCSAP eligible enforcement activities - $477,000

***Good example**:* Twenty officers work part-time on MCSAP eligible enforcement activities. The total of their part-time effort equates to 5 FTEs (2,000 hours per year). At an average rate of $45 per hour, this equals the budgeted amount of $450,000 per year for personnel.

Or, in table format:

Personnel	Cost Per Hour	Number of Hours dedicated to MCSAP	TOTAL COSTS
46 Officers	$45	200	$414,000
4 Sergeants	$60	200	$48,000
1 Captain	$75	200	$15,000
			$477,000

FRINGE BENEFIT COSTS

Provide the methodology showing how the fringe benefit amount is calculated (i.e., a statement that the costs are actual fringe benefit amounts summed by employee or a rate approved by the cognizant agency or as part of a Statewide Cost Allocation Plan).

Poor example: Fringe benefits are a direct charge to the grant - $152,640

Good example: Fringe benefits are a summation of the actual fringe benefits per employee and include FICA, Medicare, health insurance, and retirement benefits. Based on the personnel proposed (4,000 labor hours at $45 per hour) and the estimated percentage of fringe benefits that will be applied (approximately 22.4%), the budgeted amount for fringe benefits in this proposal is: $40,320. The specific amount for FICA, Medicare, health insurance, and retirement for each officer, based on the actual costs, will be included in each voucher.

Or, based on a percentage calculation approved in an indirect cost rate:

Good example: Fringe benefits are calculated with a rate approved by our cognizant agency and are included in our indirect cost rate letter. The rate is 32 percent. Based on the personnel proposed (4,000 labor hours at $45 per hour), fringe benefits at 32 percent equals $57,600.

FRINGE BENEFITS AND OVERTIME

A statement explaining how fringe benefits are calculated for overtime, and that this is a uniform policy for all employees charged to any revenue source is needed.

Poor example: Fringe benefits associated with overtime - $67,000

Good example: Fringe benefits are calculated on overtime as a summation of actual charges per employee and include: FICA for amounts under $114,000, Medicare, and retirement. Based on the proposed 500 hours of overtime at $67.50 per hour ($45 per hour x 1.5) and the estimated percentage of fringe benefits that will be applied (approximately 22.4%), the budgeted amount for fringe benefits on overtime in this proposal is $7,560. The exact costs for FICA, Medicare, and retirement for each officer will be included in each voucher.

PROGRAM TRAVEL

Identify the conferences, meetings, and training course costs. Include an explanation of why the number of travelers is reasonable and necessary, and a description of how the amount was calculated.

Poor example: Travel to conference - $28,410

Good example: 15 Officers to attend required MCSAP certification training in San Diego, CA.

Expense	Personnel	Amount	Days	Total
Airfare	15 officers	$600	n/a	$9,000
Per Diem	15 officers	$68	3	$3,060
Accommodations	15 officers	$145	2	$4,350
Registration	15 officers	$800	n/a	$12,000
				$28,410

EQUIPMENT

49 CFR § 18.3 defines equipment as "tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above." All purchases of equipment must follow the grantee's established procurement policies and processes utilized in the purchase and management of non-grant equipment.

Include an explanation of why the equipment is necessary, reasonable and allocable to the grant award. A description of the equipment, quantity, and unit price should be included in the narrative. Applicants having an equipment threshold of less than $5,000 need to include that definition to demonstrate why lower-cost items are included as equipment rather than as supplies.

Poor example: Five Tahoe SUVs - $165,000

Good example: The Applicant requests funding for five new Tahoe SUVs to replace five vehicles that have exceeded their useful life per our vehicle replacement policy. Use of these vehicles will be limited to the MCSAP-eligible purpose of completing motor carrier safety inspections needed to fulfill the activities proposed in this application.

SUPPLIES

Per 49 CFR § 18.3, "Supplies means all tangible personal property other than "equipment" as defined in this part." Applicants with a different threshold for supplies must provide that information, and should include the quantity and unit cost for supplies such as computers and printers in the Budget Narrative.

Poor example: Twenty computers at $2,500 - $50,000

Good example: Funding is requested for 20 new computers to replace 20 computers that have exceeded their useful life of three years per our computer replacement policy. These computers will be assigned to the 20 employees that work full-time on the MCSAP program. The price of these computers is reasonable for this type of laptop, which has the required features necessary to fulfill our reporting requirements. The unit cost for each laptop computer is $2,500.

NOTE: It is not necessary to document office supplies in such detail that individual expenditures are listed (reams of paper, boxes of paperclips, etc.). A good way to document office supplies is to indicate the approximate expenditure of the unit as a whole for each month. For example: General Office Supplies (paperclips, paper, toner, etc.) for the 24 individuals in the MCSAP Unit: $1,800 per month times 12 months = $21,600.

CONTRACTUAL

An explanation of how costs were derived for each contractual agreement and how those costs represent the fair market value of goods or services to be provided should be included in the Budget Narrative.

Poor Example: XYZ consultant - $25,000

Good example: XYZ consultant has been providing IT services to our organization under a previously awarded contract, awarded in accordance with our policies and procedures ensuring a fair hourly rate. Furthermore, our IT department, which performs similar tasks, determined that 100 hours would be needed to complete this Statement of Work; they will be overseeing this cost item. The fully-loaded rate of $125 per hour for 100 hours = $12,500.

OTHER EXPENSES

Include a detailed description of how the costs were derived for each of the expenses listed in this budget category (e.g., conference costs should include the conference name, number of participants and registration fees). This category requires more detail because “other” is such a broad concept. Where appropriate, include a quantity and unit cost (e.g., CVSA decals: X decals at $Y = $Z total). Explain what costs are included in Fleet expense or describe the mileage rate applied per vehicle, if applicable.

INDIRECT COSTS

A current and fully executed Indirect Cost Rate Agreement is required to support indirect costs included in the Budget Narrative. NOTE: the Indirect Cost Rate Agreement is provided by the Applicant’s designated Federal cognizant agency. Applicants without a designated cognizant agency may substitute a Statewide Cost Allocation Plan for central services costs. The indirect cost rate can only be applied to the approved base expense (typically salary and fringe benefits), which is specified in the indirect cost rate agreement. For example, if an Applicant’s Indirect Cost Rate Agreement limits the expenses to which that rate can be applied to direct salary, wages, and fringe benefit costs, the Applicant cannot apply the indirect cost rate to any other direct costs, such as travel or equipment.

APPENDIX C

U.S. Department
of Transportation

**Federal Motor Carrier
Safety Administration**

Memorandum

SP-12-001-CE

Subject: Cost Eligibility for New Entrant Safety Assurance Program

Date: MAR 27 2012

From: William A. Quade
Associate Administrator
for Enforcement and Program Delivery

Reply to Attn of: MC-ESS

To: Associate Administrator for Field Operations
Field Administrators
Division Administrators
State Program Managers
MC-E Office Directors and Chiefs
National Enforcement Team
National Training Center

PURPOSE

The purposes of this policy are to: 1) maintain high safety standards and remove unsafe motor carriers from operation by enabling a robust New Entrant (NE) Safety Assurance program; 2) ensure the maximum effectiveness of grant funds appropriated for the Federal Motor Carrier Safety Administration's (FMCSA) financial assistance awards; and 3) provide grantees conducting NE Safety Audits (SAs) with clear guidance on the costs that FMCSA will reimburse through a valid grant agreement. Specifically, this memorandum establishes policy on cost eligibility for reimbursement for vehicle inspections and compliance reviews conducted by grantee personnel assigned to conduct SAs. This memorandum supersedes and cancels SP-08-001-CE.

BACKGROUND

As requests for discretionary grant funds from Federal agencies continue to increase, often exceeding funds available for award, it is imperative that the Agency ensure that NE grant funding is expended only on NE-related activities authorized by statute and to provide the highest safety return on investment.

POLICY

Allowable expenses under the NE program grant funding are those costs that are reasonable, necessary, and allocable to the delivery of the NE program. Further, NE program costs must be consistent with eligible program cost policies and regulations related to the Motor Carrier Safety Assistance Program (49 CFR Part 350) and be consistent with 49 CFR Part 18. Only allowable costs related to SAs conducted on interstate NE motor carriers are eligible for reimbursement under this policy.

Allowable costs may include, but are not limited to, expenses associated with administering and supervising the NE program, scheduling carriers for SAs, completing interstate SAs, fulfilling the data entry requirements of the Motor Carrier Management Information System, conducting compliance reviews (CR) when required by program policy and Federal regulations, evaluating a motor carrier's NE safety management systems or corrective action plan, completing mandatory activities (including required training and travel to training) to maintain certification, and purchasing equipment and supplies necessary for program delivery.

For the purposes of this policy, grantee personnel are only considered full-time NE auditors if their salary is supported 100 percent by the NE grant, and they are assigned full-time to delivering or managing the NE program. Division Administrators will monitor the transfer of personnel into and out of full-time NE billets to ensure that transfers are not done to circumvent the cost eligibility restrictions established by this policy.

The eligibility of specific costs is subject to review by FMCSA. However, the following cost categories are provided to serve as a guide of generally eligible costs as either a full or pro-rated share reimbursement under the NE program:

(1) Personnel expenses, including training (including travel to training), salaries, and fringe benefits of full-time NE auditors or full-time NE program supervisor and management staff, that are allocable to the delivery and management of the NE program.

(2) Expenses for equipment, supplies, and travel expenses (including per diem) allocable and necessary for program delivery and management of the NE program. This includes, but is not limited to, vehicles, uniforms and civilian clothing (up to the maximum allowable by the State's official policy), communications equipment, special inspection equipment necessary for SA-related vehicle inspections (not including Commercial Vehicle Safety Alliance decals, educational material, or portable scales), vehicle maintenance, fuel, and oil.

(3) Indirect expenses for facilities (except fixed scales) or services, used in delivery of the NE program or the housing of staff, equipment, or supplies supporting the management and administration of the NE program, to the extent these costs are measurable; and

(4) Clerical and administrative expenses are allowable to the extent that they are necessary and allocable to the NE program. The administrative costs directly related to the delivery of the NE program (i.e., scheduling, responding to Federal Motor Carrier Safety Regulations and Hazardous Materials Regulations and NE procedural questions, completion of the SA and follow-up activity in direct response to a completed SA) are eligible activities for reimbursement under the NE grant.

If any expenses described above are incurred for any purpose other than the full-time management and delivery of the NE program, the costs must be charged only for actual time worked or pro-rated, in a manner consistent with the percentage of time performing duties directly related to delivery and management of the NE program.

<u>Cost Eligibility for Conducting Vehicle Inspections and Compliance Reviews</u>
Subject to the provisions above, expenses for Level I and Level V vehicle inspections conducted in accordance with current North American Standard Inspection procedures are otherwise eligible for reimbursement under a NE grant:

a) If conducted by a part-time or full-time NE auditor on a NE carrier vehicle as part of a SA;
b) If conducted by a full-time NE auditor on a non-NE carrier vehicle only if the auditor is unable to conduct, as part of SAs, the minimum 32 annual inspections to maintain roadside inspection certification;
c) If conducted by a part-time NE auditor on a non-NE carrier vehicle only if the auditor is unable to conduct, as part of SAs, the minimum 32 annual inspections to maintain roadside inspection certification; this provision is only applicable if the NE auditor is employed by a State agency other than the State's lead Motor Carrier Safety Assistance Program (MCSAP) agency and that agency receives no MCSAP grant funds from the State's lead MCSAP agency.

Inspections conducted by a full-time NE auditor on a non-NE carrier vehicle in excess of the 32 annual inspections necessary to maintain roadside inspection certification are not eligible for reimbursement under a NE grant. Level II, III, IV, or VII inspections are not eligible for reimbursement under a NE grant. These inspections may be reimbursable by another FMCSA grant, if included in the grant's approved project plan.

Subject to the provisions above, expenses for CRs (i.e., onsite comprehensive and focused investigations under the Compliance, Safety, Accountability (CSA) program) are otherwise eligible for reimbursement under a NE grant:

a) If conducted by part-time or full-time NE auditor only in lieu of a SA on a NE carrier that appears on the CSA program's high risk or mandatory list;
b) If conducted by a full-time NE auditor on a non-NE carrier only if the auditor is unable to conduct the minimum 6 annual CRs to maintain certification and only if the carrier appears on the CSA high-risk or mandatory list.

Second or subsequent carrier reviews conducted during the 18-month NE review period are not eligible for reimbursement. Reviews conducted by a full-time NE auditor on a non-NE carrier in excess of the six annual CRs necessary to maintain certification are not eligible for reimbursement under a NE grant. These reviews may be reimbursable by another FMCSA grant, if included in the grant's approved project plan.

Activities and expenses inconsistent with the purposes described in this policy are not eligible for reimbursement unless prior approval is obtained from FMCSA. In accordance with the FMCSA Grants Management Manual, the Division Administrator shall review State financial records and expense reports submitted with each request for reimbursement to ensure: 1) that the State's expenditures meet the basic cost eligibility requirements as outlined in this policy; 2) that the costs of activities and/or items submitted for reimbursement are in the State's approved NE grant plan and budget; and 3) that the request for reimbursement meets all other applicable Federal regulations and policies.

IMPLEMENTATION DATE

This policy is effective immediately and will be reviewed annually to ensure its continued applicability to the NE grant program and FMCSA's enforcement programs.

For further information, please contact Brandon Poarch, Chief, State Programs Division, at (202) 366-3030 or brandon.poarch@dot.gov.