Notice of Funding Opportunity
Summary Information

Federal Agency Name: U.S. Department of Transportation (US DOT)
Federal Motor Carriers Safety
Administration (FMCSA)
Grants Management Office (GMO); MC-BG
1200 New Jersey Avenue SE
West Building
Washington, DC 20590

Funding Opportunity Title: Commercial Driver's License Program Implementation

Announcement Type: Initial

Funding Opportunity Number:

Catalog of Federal Domestic Assistance (CFDA) Number: 20.232

Key Date – Application Due Date:

May 15, 2018

5:00pm EST

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A. PROGRAM DESCRIPTION

The Federal Motor Carrier Safety Administration (FMCSA) announces the Fiscal Year (FY) 2018 Commercial Driver's License Program Implementation (CDLPI) financial assistance program Notice of Funding Opportunity (NOFO) to solicit applications from State and local governments, and other persons and organizations representing government agencies that support CDLPI activities.

The availability of this program funding is authorized by the Fixing America's Surface Transportation (FAST) Act, Pub. L. No. 114-94, §§ 5101 and 5104 (2015). The CDLPI financial assistance program is governed by 49 U.S.C. §§ 31104 and 31313. In accordance with the provisions of the Continuing Appropriations Act, 2018 (P.L. 115-56), only a portion of the entire FY 2018 funding is presently available at the FY 2017 appropriations level. However, the FMCSA anticipates that authorized funding for the entirety of FY 2018 will available at the time of award.

The Department of Transportation Secretary's strategic goals are:

- SAFETY: Reduce transportation-related fatalities and serious injuries across the transportation system.
- INFRASTRUCTURE: Invest in infrastructure to ensure safety, mobility and accessibility and to stimulate economic growth, productivity and competitiveness for American workers and businesses.
- INNOVATION: Lead in the development and deployment of innovative practices and technologies that improve the safety and performance of the Nation's transportation system.
- ACCOUNTABILITY: Serve the Nation with reduced regulatory burden and greater efficiency, effectiveness, and accountability.

FMCSA's mission is to reduce crashes, injuries, and fatalities involving large trucks and buses. three core principles support the Secretary's strategic goals. In support of this mission, FMCSA will partner with CDL stakeholders including, but not limited to, State Driver Licensing Agencies (SDLAs), CMV drivers and employers, the U.S. Armed Forces, State court officers, and multi-State partnerships.

The goal of the National Commercial Driver's License (CDL) Program supports the Secretary's strategic goals and FMCSA's three core principles, as it is to reduce the number and severity of commercial motor vehicle (CMV) crashes in the United States by ensuring that only qualified drivers are eligible to receive and retain a CDL. This goal focuses on maintaining the concept that for every driver, there is only one driving record and only one licensing document, commonly referred to as "One Driver — One License — One Record". States are required to conduct knowledge and skills testing before issuing a Commercial Learner's Permit (CLP) and/or CDL; to maintain a complete and accurate driver history record for anyone who obtains a CLP and/or CDL; and to impose driver disqualifications as appropriate.

This NOFO provides important information about the FY 2018 CDLPI program activities/projects and guidance related to preparing and submitting a grant application. Unless

indicated otherwise, references to the CDLPI grant program include both Basic and High Priority/Emerging Issues activities/projects, with details for each type of CDLPI grant focus area to be explained later in this announcement.

CDLPI grant funds are awarded through a competitive grant process and no assurance of funding is implied or should be inferred.

1) CDLPI FY 2018 National Priorities

All applications must support a public purpose. The FMCSA may not award grant funding to individuals for personal gain, such as obtaining the specialized training required for CDL licensing or to any private business for profit or direct financial gain that does not provide benefit to the National CDL Program, such as purchasing a new tractor-trailer for a driving school. The FMCSA will award grants under this announcement in two separate categories, the CDLPI Basic Grants and High Priority/Emerging Issues Grants. For FY 2018, FMCSA will also give prioritization to States affected by the hurricanes of calendar year 2017:

i) CDLPI Basic Grants

Only SDLAs are eligible. Applications that support the development, implementation, and maintenance of all or part of the CDL program or that have a direct impact on a State's compliance with the provisions of 49 C.F.R. parts 383 and 384. For FY 2018, priority is given to funding projects that will enable States to achieve and/or sustain full compliance or, in the case of a State that is making a good faith effort toward substantial compliance with the requirements in 49 U.S.C. §§ 31311 and 31313, to improve the implementation of its CDL program. Priority will be given to applications that also assist States in achieving or sustaining compliance with the requirements of related rulemakings, such as the CDL Testing and Commercial Learner's Permit (CLP) Standards Final Rule and the Medical Examiner's Certification Integration Rule.

Compliance with CDL regulations includes addressing existing or repeat open compliance findings identified by FMCSA and proposing strategies for mitigating those findings continues to be a program priority. Open findings and proposed strategies should be described in the CDL Program Self-Assessment section of the application.

As the foundation for the entire CDL program, the accuracy, completeness, and timeliness of all CDL data is essential to the program's success. FMCSA encourages applications for funding to achieve and sustain the highest possible quality of all CDL data.

Although full compliance with FMCSA regulations and Federal statutes is the primary focus of the CDLPI grant program, FMCSA also encourages applications for projects that promote partnership efforts that lead to higher levels of substantial compliance. Examples include partnerships among several States to resolve compliance issues that are common among the partner States, partnerships between SDLAs and courts within the same State to achieve better timely convictions reporting or to increase outreach to courts on CDL disqualifications or masking, partnerships among SDLAs and Federal or non-

Federal stakeholders, partnerships among law enforcement agencies across several jurisdictions to promote CDL compliance, and/or partnerships between SDLAs and employers, including military CDL employers, to ease the transition from military service and to assist drivers in obtaining a CDL.

FMCSA will give priority to proposals for multi-jurisdictional partnerships that support anti-fraud activities, communication or on-site consultation on best practices, and/or the resolution of barriers to compliance.

The CDLPI grant program is not intended to supplement ongoing operational costs of State CDL programs. Its primary purpose is to assist States in achieving and sustaining compliance with the provisions of 49 C.F.R. parts 383 and 384. For this reason, funding for annually recurring State administrative costs receives a lower priority than funding associated with compliance issues or innovative CDL program improvements.

ii) CDLPI High Priority/Emerging Issues Grants

States, local governments, and other entities capable of executing national projects that aid States in their compliance efforts and improving the National CDL Program are eligible. Examples include projects that support research, development, innovation, demonstration projects, public education, and other activities that directly relate to improving the CDL process and increasing motor vehicle safety, that are of benefit to all jurisdictions in the United States, or are designed to address national safety concerns and circumstances. Applications for CDLPI grant funding that provide training and/or technical assistance, facilitate the timeliness, accuracy, and completeness of CDL data exchange; offer direct guidance or consultation to CDL stakeholders on best practices, or demonstrate an innovative approach (e.g., establishing a project to reduce the CDL skills testing delays, implementing an employer notification system) with potential benefit to the National CDL Program are also eligible for High Priority/Emerging Issues grant funding. Section 32303 of the Moving Ahead for Progress in the 21st Century Act (MAP-21) supports the establishment of CDL notification systems (i.e., Employee Notification Systems, or ENS). The FMCSA will set aside up to $10 million in grant funding for establishing CDL notification systems.

The FMCSA encourages applications for projects that enhance the expertise of court officers in prosecuting, adjudicating, and transmitting CDL violations. The FMCSA also encourages applications for projects that facilitate the detection and prevention of fraud in the CDL process including, but not limited to, issuance, testing, recordkeeping, and data reporting.

Projects for organizing meetings or conferences to address persistent and common CDL compliance issues among the SDLAs are also eligible for CDLPI High Priority/Emerging Issues funding. Applications for this type of project must include a detailed budget, timelines for completion of the plan's components, and a detailed plan for execution, including venue selection, assistance with attendee hotel reservations, development of the meeting's agenda in consultation with FMCSA, on-site support during the meeting, and post-meeting requirements. Post-meeting requirements include, but are not limited to,

preparing a final report that includes a general overview of the meeting's successes and areas for improvement, a list of attendees, attendee feedback, and minutes from the meeting's sessions.

Under this grant, the FMCSA will allow one (1) State person to participate in a project at FMCSA Headquarters. This project will improve the National CDL Program by providing a State's perspective to the national decision making and policy development relating to the implementation of CDL regulations that impact the nation. Thus, the purpose of this project is to directly benefit State and local CMV safety agencies and further the intent of the National CDL Program. This project is expected to begin on or about October 1, 2018, and be completed by September 30, 2019.

Applications must ensure that the project is assigned to an individual with demonstrated knowledge, skills, and abilities necessary to successfully complete the tasks and activities under the project. Discussions with the individual identified for this project within the grant application may be required. The expectation for this project is that the individual will be detached from their responsibilities in their home state and will focus on the implementation of projects that improve the National CDL Program. The FMCSA will provide up to 95 percent of the costs of employee salary, fringe benefits, travel, lodging and per diem rates, and other expenses associated with working at FMCSA headquarters for one year.

iii) Administrative Relief for Grantees Impacted by Hurricanes Harvey, Irma, and Maria

a) Prioritization of Funding

FMCSA will prioritize funding to States (including local/municipal jurisdictions), Territories, if applicable, and other eligible applicants severely impacted by hurricanes Irma, Harvey and Maria that occurred during calendar year 2017. Severely impacted for the purposes of this prioritization means an area that was declared a "major disaster" by the President of the United States, the Governor of a State, or their authorized representatives; the FMCSA Field Administrator; or a Federal, State, or local government official having authority to declare an emergency, as defined under 42 U.S.C. § 5122, for the hurricane events mentioned previously. If a jurisdiction or area not expressly declared a major disaster wishes to apply for funding under this priority, the applicant will need to clearly demonstrate how the aforementioned hurricanes caused damage/loss to the extent that the performance of CDLPI activities, eligible under this grant, will be significantly affected.

Funding must be used to assist with CDLPI safety projects associated with recovery efforts (overtime hours, supplies, etc.) and/or the purchase/replacement of equipment previously purchased using FMCSA funds (excluding buildings or other real property) deemed inoperable due to damage caused by these natural catastrophic events.

b) Equipment Purchases

For equipment purchases, the applicant must provide documentation regarding:

> A) The documented loss or damage of the equipment including, but not limited to, photos, original purchase orders, reports, insurance claim information and other relevant records in accordance with the applicant's disposition requirements or those included in 2 C.F.R. part 200 should the applicant not have specific procedures;
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> B) Any insurance claims and/or reimbursements that were made or received on the equipment that is being identified for replacement under this priority (This includes any current or expected funds awarded by another Federal or State entity, such as the Federal Management Agency or State equivalent);
>
> C) Other information as requested by the FMCSA to ensure compliance with necessary Federal requirements.

Please note that FMCSA will only reimburse the net cost of replacement. The net cost of replacement should be calculated as the replacement cost of the equipment, minus the "amount" (properly allocated) reimbursed through any insurance coverage placed on the item and minus any funds received through non-federal sources.

For items not insured, the FMCSA will follow the aforementioned process, deducting the amount that would have been covered under insurance (obtained pursuant to sound management practice) in lieu of actual insurance reimbursements received. Applicants must include information substantiating the net cost within their application.

c) Cost Match under this Priority

The FMCSA will reimburse 100 percent of eligible expenses (no matching share required) under this priority.

B. FEDERAL AWARD INFORMATION

1) Funding and Number of Awards

The FMCSA anticipates making approximately 50 award(s) totaling $31,323,000 as a result of this NOFO, subject to the availability of FY 2018 appropriations funding.

2. Type of Award

The planned award types are Grant and Cooperative Agreement

3. Period of Performance

In accordance with 49 U.S.C. § 31104(f)(5), awarded funding is available for the fiscal year of award and the four succeeding years, but may be awarded for a shorter period of time. The period of performance for CDLPI grants is the date of execution of a Notice of Grant Award through the award's end date. NOTE: when requesting a period of performance on the SF-424 application form, applicants should carefully consider how long it will take to complete the grant's activities and objectives.

4. Degree of Federal Involvement

☒ [**Cooperative Agreement**] - There is substantial involvement (e.g., collaboration, participation, or intervention by FMCSA in the management of the project) anticipated between FMCSA and the recipient during performance of the contemplated activity. See 31 U.S.C. 6305.

Cooperative agreements are subject to the same laws from OMB, Treasury, and other Federal directives as grants. For examples of oversight activities that would demonstrate substantial involvement by the FMCSA go to: https://www.fmcsa.dot.gov/mission/grants/cooperative-agreements.

☒ [**Grant**] **-** Substantial involvement is not expected between the FMCSA and the recipient when carrying out the activity outlined in the agreement. FMCSA provides financial assistance, technical expertise, and oversight. Grantees provide the effort and expertise necessary to carry out the approved activities to improve CMV safety. FMCSA grantees are responsible for achieving the work described in their grant award, complying with the grant requirements laid out in the grant award and Terms and Conditions, the local administration of the grant, and monitoring and oversight of any sub-Grantees.

C. ELIGIBILITY INFORMATION

1) Eligible Applicants. The following section includes the applicants eligible for award.

i) States

The CDLPI grant program is not intended to supplement ongoing operational costs of State CDL programs. Its primary purpose is to assist States in achieving and sustaining

compliance with the provisions of 49 C.F.R. parts 383 and 384. For this reason, funding for annually recurring State administrative costs receives a lower priority than funding associated with compliance issues or innovative CDL program improvements.

To be eligible for a Basic CDLPI Category Grant, States must:

a) Assume responsibility for adopting and administering State safety laws and regulations that are compatible with the Federal CDL requirements of 49 CFR parts 383 and 384;

b) Address outstanding findings discovered during Annual Program Reviews and Skills Testing Reviews;

c) Comply with the requirements of related rule-makings, such as the CDL Testing and CLP Standards Final Rule and the Medical Examiner's Certification Integration Final Rule. The FMCSA may make a grant to a State under this program only if it complies with or is making a good faith effort toward substantial compliance with the requirements of 49 U.S.C.§ 31311; and

d) As a condition of the grant per § 32306 of MAP-21, States must provide FMCSA with access to all State licensing status and driver history records via an electronic information system, subject to 18 U.S.C. § 2721.

At its discretion, FMCSA will consider applications received from SDLAs to be for Basic CDLPI grant funding unless the application specifically indicates otherwise. A link to the requirements for State participation is included in Section H.

ii) Non-State Organizations

Applications received from non-State organizations will be considered to be for High Priority/Emerging Issues grant funding. It is expected that these grants will be issued as cooperative agreements, and applications must include all required documents. In addition, the applications must clearly describe the anticipated level and nature of FMCSA participation and the responsibilities of each partner to the agreement until the grant (cooperative agreement) is closed.

2) Cost-Sharing and Matching Requirements

Section 5104 of the FAST Act makes provision for an optional match of up to 15 percent of the total project costs, to be implemented at the Agency's discretion. Beginning in FY 2018, a matching funds requirement will be phased in over a 3-year period. Unless otherwise stated, effective FY 2018, a 5 percent match of the total project cost will be required of all applicants/grantees. The FMCSA anticipates announcing that a 10 percent match of the total project costs will be required in the FY 2019 NOFO, and a 15 percent match of the total project costs will be required in the FY 2020 NOFO.

Any type of cost included in the approved budget may be used as match, and Grantees can vary the costs used as match from voucher to voucher, provided those costs were included in the

approved budget. Costs that have not been approved by FMCSA as part of the project's budget may not be used as match.

Cost matching and cost sharing must be in compliance with Office of Management and Budget (OMB) Regulations, including 2 CFR part 200.

3) Cost Information

Cost matching or cost sharing is the portion of project costs not reimbursed by the Federal government.

i) Cost Match Requirements

Cost match, whether cash and/or in-kind contributions, included in the budget of the award, must adhere to all of the cost principals and must have direct project benefit or directly support a grant activity. Hard or cash match is something that has a direct cash value to it, labor, equipment versus in-kind or soft match, which is something that has a valuation to it, versus a direct cost, such as donated services.

ii) Types of Match

a) Cash (Hard Match): primary source of match.

b) Trade-In Allowance/Credit: not applicable.

c) In-kind (Soft Match): eligible as appropriate.

d) Overmatch. In the application narrative, an organization may indicate a voluntary pledge to commit additional financial support toward a project's cost, which is in addition to their required cost share obligation as detailed above and required by law. The FMCSA will not account for this promised additional funding in the terms of the award. The award budget will not account for any voluntary committed cost sharing or overmatch. The use of an overmatch is not given additional consideration when scoring applications.

Match must be clearly defined in the application. The absence of clearly defined match may exclude an application from further consideration.

D. APPLICATION AND SUBMISSION INFORMATION

1) Address

The FMCSA utilizes Grants.gov (*www.grants.gov*) for accepting application forms under this program.

2) Content and Form of Application Submission

Applications must contain the below elements and all documentation described in Appendix A to be considered for an award. Appendix B contains example formats that may, but are not required to be used.

i) Brief Introduction

Include a 1-2 sentence description of the goal(s) of the application and the applicable program priority(s) met by the application's projects. Include in this introduction specific information about the outputs the application proposes to achieve. For each goal identified, the applicant must provide a problem statement, performance objective, program activity plan, and performance measurement plan.

ii) For SDLA Applicants Only: CDL Program Self-Assessment (Program Overview)

Applications from SDLAs must include a CDL program self-assessment, which may be included as part of the project's program overview or project plan; a separate, stand-alone document is not required and suggested format is provided for this purpose. This requirement applies to SDLAs only; if the applicant is not an SDLA, this information should be provided to the applicant by the SDLA. Applications that fail to include the required information will be considered incomplete and risk disqualification.

The Program Overview is not a comprehensive description or history of the applicant's entire CDL program or an acceptable substitute for the compliance plan mandated by

MAP-21 § 32305. The Program Overview is a summary of key elements of the applicant's program and must include the following three components:

a) A list of all open findings in the State Compliance Records Enterprise (SCORE) System, including the finding's citation and a brief description; the reason for the finding; the proposed resolution; and the expected date by which the finding will be closed.

b) A list of all open CDLPI grant awards, including the award number, award amount, and purpose; progress made to date in achieving the award's objectives; remaining unexpended funding; the expected date of completion; *and how the application's requested funding supports those grants without duplicating their costs or activities.*

c) The total number of noncommercial and the total number of CDLs issued annually, listed separately by type of CLP or CDL.

iii) Problem Statement

A quantitative description of the 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). Data should support proposed project(s). Example: *The Applicant proposes to implement strategies that remove barriers to compliance and improve customer confidence to ensure accuracy, completeness, and*

timeliness of CDL data and to sustain a status of zero open findings in SCORE. Specifically, this application requests funding to expand the existing suite of online services to add identification of CDL duplicates, driver address changes, license reinstatement, and calendared reminders about the approaching expiration of the driver's current medical certificate. A successful pilot at the Applicant's expense has confirmed that this approach reduces the potential for fraud and for unqualified drivers being issued a CDL.

iv) Performance Objective

A description of the applicant's quantifiable goal related to the above problem statement. This can be measured in numbers, percentages, or other forms that accurately measure the outputs and outcomes the applicant anticipates will result from implementing the strategies and activities proposed. Example: *This application's performance objective is strengthening CDL program control and oversight to ensure continued compliance with all current program requirements by purchasing and installing 15 Motion Computer Scoring Tablets; this technology will limit each examiner to a unique ID, and will use GPS to record and log the comprehensiveness and thoroughness of the required CDL road test. These capabilities are both considered best practices in detecting and preventing fraud.*

v) Program Activity Plan

A description of the activities the applicant believes will help mitigate the problem. Description should include details such as number and frequency of activities. Example: *Expanding the program to automate pre-trip, basic control skills, and road test scoring for all tester/examiners conducting 50 or more CDL skills tests annually by purchasing 15 tablets, providing training in using the equipment, and coordinating with the vendor to ensure that test results can be successfully transmitted.*

vi) 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: *The Applicant will monitor and report on the number and percentage of mid-to-high volume examiners whose tests are performed using automated scoring equipment, and will increase the number of unscheduled examiner audits by 10 percent as compared to the previous 12-month period. The Applicant will provide status updates through quarterly progress and financial reports. The Applicant will also provide a final report that includes a process evaluation describing how the project was conducted and how it met the desired objectives*

vii) Budget Narrative

A budget narrative is a description, by budget category (object class) that details the costs necessary to complete the proposed projects. A well-written budget narrative ensures that the applicant has properly documented proposed costs. The level of detail should be sufficient to

justify the funding requested. Applicants are strongly encouraged to use the sample budget narrative format included in [Appendix B](#). Note for applicants requesting equipment: Equipment is defined in 2 C.F.R. part 215 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. If your organization's threshold is lower than $5,000, use your definition of equipment and include that definition in the budget narrative. Each equipment budget narrative must contain the following elements: how the equipment will be used to promote the CDLPI program; the quantity and unit cost of the equipment requested; who will be using the equipment; how the equipment will be pro-rated if not dedicated 100 percent to the grant; the five percent match requirement, and the equipment definition threshold used.

3) Sam.Gov requirement

Every applicant must be registered in the System for Award Management (*www.SAM.gov*) before submitting the application; 2) provide a valid *Data Universal Numbering System* (DUNS) number in its application; and 3) continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application under consideration by FMCSA.

4) Submission Dates and Times

i) Deadline

Unsolicited applications will not be accepted. FULL AND COMPLETE APPLICATIONS FOR Commercial Driver's License Program Implementation ARE May 15, 2018 DUE ON by 5:00 pm EST. Once Grants.gov has received your submission, you will receive email messages to advise you of the progress of your application through the system. Over the next two business days, you should receive two emails: 1) confirms application receipt by the Grants.gov system; and 2) indicates that the application has either been successfully validated by Grants.gov prior to transmission to FMCSA or has been rejected due to errors. The applicant assumes responsibility for a timely and complete submission. Click [here](#) for more information.

ii) Consideration of Applications

Only applicants who comply with all submission deadlines described in this notice and electronically submit valid applications through Grants.gov will be eligible for consideration of award. Applicants are strongly encouraged to make submissions in advance of the deadline.

iii) Late Applications

The FMCSA will not consider a late application except under extraordinary circumstances. A late application will only be accepted if there is a large scale natural disaster or a grants.gov system issue that threatens the timely submission of a grant application. Problems with computer systems at the applicant organization, failure to follow the application instructions or failure to submit or complete the program

application or complete required registrations by the submission deadline are not considered system issues.

iv) Modifications

Modifications to an application after it has been submitted will require a resubmission of the entire application package. The applicant must notify the FMCSA GMO prior to resubmitting the package. Submitting changes to Grants.gov without contacting the FMCSA GMO could significantly delay application submission and may result in the application not being accepted as complete.

5) Intergovernmental Review

Commercial Driver's License Program Implementation awards and this funding opportunity are subject to Executive Order 12372, Intergovernmental Review of Federal Programs. The States with a Single Point of Contact and therefore a requirement to comply with E.O. 12372 are listed on OMB's Web site at www.whitehouse.gov/omb/grants/spoc.html.

6) Funding Restrictions

The CDLPI grant program is not intended to supplement ongoing operational costs of State CDL programs. Its primary purpose is to assist States in achieving and sustaining compliance with the provisions of 49 C.F.R. parts 383 and 384.

Pre-award costs are not eligible for reimbursement. All costs must be allowable, allocable, reasonable, and necessary to achieve the stated goals, and must comply with the cost principles in 2 C.F.R. part 200. Compliance with these requirements is the responsibility of the grantee recipient of Federal funds. Costs must also be consistently applied and documented. These standards are described in the applicable cost principles and administrative requirements in 2 C.F.R. §§ 200.400 through 200.475; note that §§ 200.416-200.417 include Special Considerations for States, Local Governments, and Indian Tribes, and that §§ 200.418-200.419 include Special Considerations for Institutions of Higher Education. Contact the FMCSA Grants Management Office for additional information.

Failure to adhere to these requirements may result in reimbursements under the award being deemed improper and subsequently disallowed.

Eligible CDLPI grant program costs include, but are not limited to:

i) 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.

ii) Equipment and travel expenses, including but not limited to per diem expenses directly related to the enforcement of CDL regulations, vehicles, uniforms, supplies, materials, communications equipment, vehicle maintenance, fuel, and oil.

iii) Indirect expenses for facilities, other than fixed scales, used to conduct CDL testing or program support or to house CDL personnel, support staff, and equipment to the extent that those costs are measurable and recurring (e.g., rent and overhead).

iv) Clerical and administrative expenses, to the extent necessary and directly attributable to the grant project.

v) Expenses related to the improvement of real property (e.g., refurbishing of paved areas for conducting off-road skills tests) that do not materially increase the value of the property.

vi) 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 grant program, pro-rating the expense as applicable.

Note: Applications requesting information technology funding, such as upgrades or modifications to existing software or equipment, are subject to review by FMCSA's Office of Research and Information Technology.

The FMCSA will not approve reimbursement requests for indirect costs if an approved indirect cost rate agreement is not in force for the period of time that the indirect cost expenses are incurred.

All FMCSA grant programs are cost reimbursable, which means that grant recipients must first expend their own money before vouchering by submitting an invoice to FMCSA for costs associated with approved activities identified in the grant agreement. Recipients will be reimbursed by FMCSA for actual costs incurred, subject to the required five percent (5%) match, provided that the costs are reasonable, approved, allowable, and allocable in accordance with the OMB regulations and FMCSA policy, within the approved budget, and supported by documentation. The recipients must request reimbursement at least once each quarter.

The FMCSA will not reimburse an amount that is more than the Federal share of costs incurred as of the date of the voucher.

Recipients must submit requests for reimbursement electronically through the Delphi eInvoicing System (iSupplier). Additional information is available at: http://www.dot.gov/cfo/delphi-einvoicing-system.

7) Other Submission Requirements.

To submit an application through *Grants.gov*, applicants must:

    i) Obtain a Data Universal Numbering System (DUNS) number;

    ii) Register with the System for Award Management (SAM) at *www.SAM.gov;*

    iii) Create a *Grants.gov* username and password; and

iv) The E-Business Point of Contact (POC) at the applicant's organization must respond to the registration email from *Grants.gov* and login at *Grants.gov* to authorize the applicant as the Authorized Organization Representative (AOR).

Please note that there can be more than one AOR for an organization. Please note that the *Grants.gov* registration process usually takes 2–4 weeks to complete and that FMCSA will not consider late applications that are the result of failure to register or comply with *Grants.gov.*

For Grants.gov assistance, please call at 1-800-518-4726 or e-mail at support@grants.gov 24 hours a day, 7 days a week (closed on Federal holidays).

E. APPLICATION REVIEW INFORMATION

1) Criteria.

All applications received by the due date will undergo an initial intake review to determine if: (1) the application includes all required documents – see Section D and Appendix A to ensure the application is eligible for a comprehensive programmatic evaluation.

The award recommendations are based on the following:

i) Applicability of application projects to NOFO's national priorities and 49 U.S.C. §31313.

The application must carry out a CDL project that reflects the program's priorities and statutory requirements that will likely achieve successful completion within the award's period of performance.

This relates to program-specific policy areas such as statutory references, published policy documents, etc. that may factor into an award recommendation.

CDLPI program-specific factors may include but are not limited to:

a) The extent to which a project complements the applicant's existing program or enhances its capabilities;

b) The extent to which a project supports the applicant's potential for continued success in achieving and maintaining compliance with all CDL program requirements currently in effect or scheduled to take effect in the near future; and

c)The extent to which a project demonstrates an innovative approach with potential benefit to the nationwide CDLPI program, if applicable.

ii) Performance Goals and Monitoring Components.

The application must include clearly-identified performance goals and measurements that are supported by an appropriate and identified data source and that includes benchmarks and timelines that will facilitate evaluating the applicant's progress towards project completion.

Reviewers will also consider whether the application indicates how the recipient will continuously contribute to the success of the project by evaluating performance and outcomes and making adjustments as necessary.

iii) Strength of Budget.

This review provides an assessment of: whether costs are allowable in accordance with Federal grant requirements, including the appropriateness and reasonableness of the budget estimate and the resources to be dedicated to the project; and the reasonableness and feasibility of the schedule relative to the application timeline. The budget should describe specific activities that support the objective(s) of the program. The reviewers will consider whether budget components such as staffing, equipment, training, and travel components are clearly linked to the project's goal(s) and are necessary to adequately compensate, equip, train, and enable personnel to conduct the activities included in the project plan.

The budget evaluation helps identify project-related risks which must be considered prior to recommendation, in addition to those risks arising from technical uncertainty. Reviewers will evaluate applications to determine the extent to which:

> a) Elements of work included in the application have associated budget costs and, conversely, all elements in the applicant's budget have corresponding work elements included in the application;
>
> b) Budget costs are allowable, allocable, necessary and reasonable per Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and not duplicative of other budget line items; and
>
> c) the appropriate match is documented, as applicable.

iv) Past Performance.

This review provides information that is considered a possible indicator of future performance. Applicants that have previously received FMCSA grant funding will be evaluated in part on their ability to complete prior year awards on time, their compliance with those grant terms and conditions, and the results of FMCSA grant monitoring activities. Applicants that have not previously received grant funding from FMCSA are not subject to this review and their applications will not be eliminated from funding consideration.

2) Review and Selection Process.

Applications that meet the completeness criteria are then reviewed and subjected to a merit review process where each complete application is evaluated by multiple organizations within FMCSA including: a technical review panel (TRP), grant specialists, program officers, and FMCSA staff responsible for day-to-day grant management oversight. The applications are then prioritized using the ratings shown below based on the applicability of the criteria to the application.

i) Ratings

  a) Highly Responsive: Applicant fully addresses all aspects of the criterion, convincingly demonstrates that it will meet the Government's performance requirements, and demonstrates minimal or no weaknesses.

  b) Responsive: Applicant fully addresses all aspects of the criterion and demonstrates the likelihood of meeting the Government's expectations and requirements, but may include a few weaknesses.

  c) Somewhat Responsive: Applicant addresses most aspects of the criterion and demonstrates the ability to meet the Government's performance requirements but contains significant weaknesses and/or a number of minor weaknesses. These weaknesses may be addressed by recommending the award and including a specific programmatic or administrative post-award term and condition or a reduction to requested funding.

  d) Not Responsive: Applicant does not sufficiently address the criterion and the information presented indicates a strong likelihood of failure to meet the Government's requirements.

ii) Evaluation.

Reviewers will evaluate each application to determine the extent to which:

  a) The application is written in a manner that will allow FMCSA to monitor performance based on FMCSA reporting requirements;

  b) The proposed project/program is reasonable in scope, addresses existing and emerging commercial driver's license safety issues, and is likely to succeed in achieving its goals;

  c) The proposed expenditures are reasonable and necessary for the project's success, based on prior personnel, budgetary practices, and past performance, and costs are allowable under applicable Federal regulations; and

  d) The applicant has effectively managed current project tasks (e.g., performance is within budget and on schedule).

iii) Other Review Information.

Reviewers will also:

  a) Document any issues or findings from monitoring activities (e.g., audit, program, or process reviews) that demonstrate the applicant's violation of the grant terms and conditions;

b) Consider whether the applicant's previous performance and financial reports were submitted late, were incomplete or incorrect, and/or consistently required an extension of the deadline for submission;

c) Provide feedback on the application's significance, approach, and feasibility

3) Additional Information

Prior to award, each selected applicant will be subject to a risk assessment, as required by 2 C.F.R. §200.205. Depending on the level and severity of the Agency's risk assessment findings, FMCSA may determine that the applicant is not qualified to receive the award and use that determination as a basis for making an award to another applicant. The FMCSA may also impose additional grant award terms and conditions above its customary general terms and conditions.

The risk assessment is conducted in several parts:

i) A debarment and suspension review and a check against the records in SAM (currently the Federal Awardee Performance and Integrity Information System.

ii) An applicant, at its option, may review information in the designated integrity and performance systems accessible through SAM and comment on any information about itself that a Federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through SAM;

iii) FMCSA will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants as described in § 200.205 Federal awarding agency review of risk posed by applicants; and

iv) An evaluation of the applicant's Single Audit in accordance with the Single Audit Act. The FMCSA may, at its discretion, request further information and/or conduct an audit to confirm compliance as indicated on the SF-LLL – Disclosure of Lobbying Activities form, as provided for in the United States Code or the Code of Federal Regulations.

F. FEDERAL AWARD ADMINISTRATION INFORMATION.

1) Federal Award Notices

Following the evaluation outlined in Section E, the Notice of Federal award signed by Service Center State Program Manager or equivalent) is the authorizing financial assistance document, and will be sent through grant solutions. It must be accepted by the recipient before the end of FY 2018.

After the application review process, FMCSA may find it necessary to contact the applicant with additional questions or for clarification of the application's components. The FMCSA also reserves the right to determine the amount of awarded funding, including but not limited to factors such as reductions in the scope of work, funding level, period, or method of support prior

to recommending any project for funding. Although the process is intended to be collaborative, FMCSA reserves the right to make final decisions on all awards. If selected for funding, applicants may be required to submit a supplemental budget or project narrative based on a partial or modified grant recommendation. The FMCSA expects to contact applicants if necessary during the spring of 2018. This contact between applicants and FMCSA does not constitute any assurance that funding will be awarded.

The FMCSA does not expect to make awards prior to July 2018.

Applicants will not receive any communication until all funding recommendations have been approved. The FMCSA will send a letter to notify those who were not funded with suggestions for how applications can be improved for the next grant cycle. The FMCSA does not have an appeals process for unsuccessful applications for discretionary grant funds.

2) **Administrative and National Policy Requirements**

All awards will be administered pursuant to the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards found in 2 C.F.R. part 200, as adopted by DOT at 2 C.F.R. part 1201 and FMCSA statutes and regulations.

Additional provisions that apply to this solicitation and/or awards made under this solicitation, including but not limited to those related to DUNS and SAM, can be found in the Grants.gov application package under the "Related Documents" tab. Applicants are strongly encouraged to review all documents when preparing applications. Contact the POC listed in the overview of the funding notification if you have questions on these provisions.

3) **Reporting**

The grant terms and conditions outline the reporting requirements that the recipient must meet after award. Reporting responsibilities include quarterly program performance reports using the Performance Progress Report (SF-PPR) and quarterly financial status using the Federal Financial Report (SF-FFR, also known as the SF-425). Recipients may elect to submit financial reports electronically through GrantSolutions and/or by email; contact the primary or secondary point of contact listed in the overview of the funding notification for additional information. Recipients should submit quarterly performance reports via email. Additional quarterly report information and other required forms and templates are available at http://www.fmcsa.dot.gov/mission/grants/grantee-resources.

If the Federal share of any Federal award may include more than $500,000 over the period of performance financial assistance recipients must comply with the post award reporting requirements reflected in Appendix XII of 2 CFR part 200.

G. FEDERAL AWARDING AGENCY CONTACT(S)

For questions about this NOFO, please contact the FMCSA's Grants Management Office as listed below:

Telephone: (202) 366-0621 (Grants Management Helpdesk)

Mail: U.S. Department of Transportation,
Federal Motor Carrier Safety Administration
Grants Management Office (MC-BG),
1200 New Jersey Ave, SE, West Building,
Washington, DC 20590.

Office hours: 9:00 a.m. to 5:00 p.m., Eastern Time
Monday through Friday, except Federal holidays.

H. OTHER INFORMATION

This NOFO is intended for informational purposes and reflects current planning. If there is any inconsistency between the information contained in this NOFO and the terms of any resulting funding agreement, the terms of the funding agreement are controlling. Additionally, FMCSA may make changes or additions to this NOFO. All changes will be announced through Grants.gov. We encourage you to sign up for Grants.gov emails to be notified of the changes at: http://www.grants.gov/web/grants/manage-subscriptions.html

The FMCSA plans to conduct an informational web-based conference for all prospective applicants. During this conference, FMCSA staff will review NOFO requirements; share best practices and lessons learned; and answer questions from prospective applicants as allowed by Agency policy. Please check FMCSA's website for updates at www.fmcsa.dot.gov.

The FMCSA is not obligated to make any Federal award as a result of this announcement. Funding amounts made available under this program may be impacted by limitations placed on the spending authority and appropriations enacted for FMCSA. The FMCSA is not responsible for any monies expended outside the scope of the grant agreement by the applicant and is not responsible for any monies expended prior to the award date on the grant agreement.

The following attachments have been added to Grants.gov under this announcement. These attachments are available in Grants.gov under the "Related Documents" tab.

- Appendix A: Application Package Requirements Checklist

- Appendix B: Budget Narrative Guidance

APPENDIX A – APPLICATION PACKAGE REQUIREMENT CHECKLIST

Careful review of the application notice of funding availability and use of this checklist are strongly encouraged to ensure that a complete application is submitted. Application packages that do not contain all of the required forms and documents may not be considered for funding. The table below lists the required documents that must be contained in the application package (if applicable), the document description and its location. This checklist is provided for your convenience and does not have to be submitted with your application.

	Document Name	**Document Description & Location**	**Document Included?**	
1	Standard Form (SF) 424 Application for Federal Assistance *(Required Form)*	Standard application form for all Federal assistance requests. This form is available in the Grants.gov application kit.	YES ☐	NO ☐
2	SF-424A Budget Information for Non-Construction Programs *(Required Form)*	Standard application form for all Federal assistance requests relating to non-construction grant programs. This form is available in the Grants.gov application kit.	YES ☐	NO ☐
3	SF-424B Assurances for Non-Construction Programs *(Required Form)*	Standard application form for all Federal assistance requests relating to non-construction grant programs indicating that the applicant organization is in substantial compliance with applicable Federal laws to accept and manage Federal funds. This form is available in the Grants.gov application kit.	YES ☐	NO ☐

4	Grants.Gov Lobbying Form *(Required Form)*	Standard application form for all Federal assistance requests relating to the limitation on the use of appropriated funds to influence certain Federal contracting and financial transactions under Title 31 U.S.C. Section 1352. This form is available in the Grants.gov application kit.	YES ☐	NO ☐
5	SF-LLL Disclosure of Lobbying Activities *(If Applicable)*	Standard application form for all Federal assistance requests to disclose lobbying activities. Only applicable to applicants that have lobbying activities to disclose. This form is available in the Grants.gov application kit.	YES ☐	NO ☐
6	Key Contacts Form *(Required Form)*	Standard application form for all Federal assistance requests that must contain contact information for the following three roles *(indicate in the form if a contact is performing more than one role):* 1) Authorized Designated Official (*individual who has the delegated Legal authority of his or her Agency to accept the Notice of Grant Award's Terms and Conditions for the State/entity);* 2) Principal Investigator/Program Director (*individual responsible for the day-to-day management of the project and preparing PPRs*); and 3) Financial Official (*individual that submits FFRs in GrantSolutions. This person may also be responsible for submitting the SF-270 in iSupplier).* This form is available in the Grants.gov application kit.	1)YES ☐ 2)YES ☐ 3)YES ☐	1)NO ☐ 2)NO ☐ 3)NO ☐
7	Attachment Form	Form used to submit supplemental attachments, such as project and budget narratives, to support the grant application. This form is available in the Grants.gov application kit.	YES ☐	NO ☐

8	Project Narrative *(Required Document)*	Project narrative that includes: brief introduction, program overview, problem statement, performance objective(s), program activity plan(s), and performance measurement plan(s). Use the "Attachments Form" located in the Grants.gov application package to attach the various files that make up your grant application.	YES ☐	NO ☐
9	Budget Narrative *(Required Document)*	Includes a thorough description and clear justification of each project's cost budget category (object class or type of expense) listed on the SF-424A budget form, and shows how the cost was derived. Budget Narrative Guidance is available in Grants.gov under the "Related Documents" tab and is included in Attachment B. Use the "Attachments Form" located in the Grants.gov application package to attach the various files that make up your grant application.	YES ☐	NO ☐
10	Indirect Cost Rate Information *(If Applicable)*	If the application's budget includes indirect costs, the applicant must provide either the fully executed, negotiated agreement from its cognizant Federal agency – or – if the rate will not be approved by the application due date, the letter of renewal or letter of request that was sent to the cognizant agency. Use the "Attachments Form" located in the Grants.gov application package to attach the various files that make up your grant application.	YES ☐	NO ☐

NARRATIVE GUIDANCE

What is a Budget Narrative?

The budget narrative explains the "what, "how" and "why" of a line item cost to carry out grant project goals and objectives. A budget narrative is a narrative explanation of each budget component that supports the costs of the proposed work. The budget narrative should describe why each budget item is required to achieve the proposed project goals and objectives. It should also explain in detail how budget costs were calculated.

The budget narrative should be clear, specific, detailed, and mathematically correct.

The FMCSA reviews the budget narrative to confirm that costs are allowable, allocable, necessary, and reasonable. A well-developed budget narrative is also an effective management tool; a budget that doesn't represent a project's needs makes it difficult to recommend for funding and to assess financial performance over the life of the project. The budget narrative serves a number of critical functions:

- Describes your need for or the necessity of an expense;

- Documents how reasonable the request is and conveys your judgment as well as the feasibility of the project based on available and proposed resources; and

- Helps FMCSA review high-risk cost items to determine funding.

- Describes how much of each cost will be provided by Federal funding and how much will be contributed as match. Include this information in the narrative section for each type of cost. NOTE: The total project's cost must reflect a 95 percent Federal contribution and a 5 percent match contribution, but which costs are used to provide the required match is at the applicant's discretion. For this reason, no examples are shown.

What Costs are included in a Budget Narrative?

Personnel: Personnel costs are salaries for employees working directly on a grant project. Only include costs for personnel employed by your organization. Costs should be consistent with that paid for similar types of work within the organization. Individuals not employed by your organization will be classified as either a sub-grantee or contractor. See the contractual object class for additional information.

Below is a sample personnel budget narrative. The FMCSA evaluates the personnel budget narrative to determine whether the proposed number of personnel is appropriate and includes sufficient staffing to meet the project objectives. The proposed effort should be consistent with the effort required by the work plan. The labor mix should be consistent with the caliber of effort – professional/nonprofessional/clerical – required by the grant work plan. The FMCSA also reviews the personnel budget to determine whether or not the salary ranges proposed are reasonable.

Personnel Budget Narrative					
Position(s)	**# of Staff**	**% of Time**	**Work Year Hours**	**Hourly Rate**	**Total Cost**
Supervisor	1	100	2,080	$21.63	$44,990
Staff member (Full-Time)	1	100	2,080	$19.00	$39,520
Staff member (Part-Time)	10	50	2,080	$19.00	$197,600
Total Cost for Personnel:					**$282,120**
Total Personnel					*7*

The Supervisor oversees activities of the project. She/he spends 100 percent of the time implementing this project, supervising staff, and conducting activities to meet the objectives of this project. Activities include: supervising daily operation of projects and staff, providing staff training/technical assistance, coordinating staff work schedule/assignments, ensuring data entry, tracking and following-up on procedures to meet quality assurance, and tracking policy to ensure compliance. There are 11 staff members (1 full-time, 10 part-time) who provide additional program support. Each is paid an hourly wage of $19; part-time staff members will average 50 percent of their time on grant activities. The full-time staff member wages equal $39,520 annually, with the part-time (10) staff members averaging 1,040 hours or 50 percent on grant activities @ $19,760 per year for a cumulative total (for all 10 part-time staff members) of $197,600.

Fringe Benefits: Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. The costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity-employee agreement, or an established policy of the non-Federal entity. The FMCSA will only reimburse fringe costs for the personnel performing grant-related duties and only for the percentage of time they devote to the project. Some helpful tips:

- Include how the fringe benefit amount is calculated (e.g., actual fringe benefit percentages or a fringe rate approved by the Health and Human Services State Wide Cost Allocation Plan or cognizant agency). Explain what is included in the benefit package.

- Do not combine the fringe benefit costs with direct salaries and wages in the personnel category.

Below is a sample fringe budget narrative. Note that that the personnel in the personnel budget narrative should be reflected in the fringe benefits budget narrative. The level of personnel participation (full time or part time) must also correspond to the fringe charged.

Fringe Benefits Budget Narrative			
Position(s)	Rate	Base Amount	Total Cost
1 Staff member (Full-Time)	Fringe	16.72	$6,608
10 Staff members (Part-Time)	Fringe	16.72	$33,040
Total Cost for Fringe:			$39,648

Fringe benefits include the cost of health insurance, retirement, workers' compensation and unemployment benefit plans. It is calculated at the average fringe rate of 16.72 as recognized by the cognizant agency. This fringe rate is applied to the average hourly rate of $19 per staff member, with projected annual hours worked as 2,080 hours for full-time staff. The full-time staff member's annual wages of $39,520 x 16.72 percent results in a $6,608 total fringe cost. The 10 part-time staff members average 50 percent of time worked per person on grant-related activities; using an average of 1,040 hours multiplied by $19,760 per year results in a fringe cost of $3,304 per part-time staff member.

Travel: Travel costs include field work activities or travel to professional meetings. The FMCSA reviews the travel budget to ensure that amounts are reasonable based on the level of effort described in the project plan. Generally speaking, FMCSA will accept in-State travel costs for routine operations as reasonable unless there is a specific reason to question them. The FMCSA evaluates out-of-state to ensure the trips planned are necessary to complete the scope of work (usually training or meeting attendance), and that the number of travelers is consistent with the trip's purpose. Some helpful tips:

- Include estimates for potential travel such as possible FMCSA required meetings, with estimated costs of attendance.

- Explain the reason for travel expenses for project personnel (e.g., staff training, field interviews, advisory group meeting, etc.) and, if known, identify the location/destination of travel.

- Do not include payroll, fringe, or other costs listed as part of the travel. For example, payroll/fringe is included in personnel and fuel costs are included in other.

Below is a sample travel budget narrative. Costs for employee attendance at conferences, such as with FMCSA, can be put into the budget without the need to break out what the daily cost will

be; however, when vouchered, costs should be reported as actuals. Expenses must be auditable (e.g. able to be backed up with actual days on the road, state per diem costs, hotel expenses, and any allowable miscellaneous costs).

Travel Cost Budget Narrative			
Purpose	# of Staff	Days	Total Cost
Routine Travel	10	10	$4,600
San Diego Conference	15	5	$28,410
Total Cost for Travel:			**$33,010**

Costs represent necessary travel funds for staff members to perform their assigned duties. Reimbursement is based upon the current state per diem and rules. The per diem rate for each day is $46.00. (NOTE: travel by contractors should be included as part of the contract's cost.)

Training in San Diego for 15 staff members with an average cost per person of $600 for airfare or $9,000; $204 state-approved per diem or $3,060; $290 for hotel accommodation or $$4,350; and $800 for registration fees or $12,000 for a total of $28,410.

Equipment: Equipment costs are tangible, nonexpendable, personal property items that have a useful life of more than one year and an acquisition cost of $5,000 or more per unit. The FMCSA evaluates the need for the equipment (e.g., ratio of employees to equipment) in the budget narrative and how it supports project activities. The FMCSA also evaluates the extent to which the equipment is being used to support more than one FMCSA grant. If it does, FMCSA verifies that the cost has been prorated accurately. Additionally, FMCSA reviews past performance information to determine if the same equipment for the project/program was purchased in previous years. A sample equipment budget narrative is below. Some helpful tips:

- If your equipment threshold is below $5,000, indicate that in the narrative so that FMCSA can verify why lower cost items are included in this line. Items costing less than $5,000 each should be categorized as supplies or other, depending on the item.

- Explain the purpose and use of each item of equipment. Prorate the costs, if applicable.

- Common purchases like a computer system (when purchased as a package - keyboard, monitor and hard drive as a single unit) are considered equipment if the total cost of each of those unites exceeds the threshold. If these same items are purchased individually (and not as a package) and each component is below the threshold, list these costs as supplies.

- When developing your budget, analyze the cost/benefit of purchasing versus leasing equipment, particularly high-cost items and those subject to rapid technical obsolescence. List rented or leased equipment costs in the contractual or the other object class, depending upon your procurement method. See the guidance under the other object class for additional information.

Equipment Cost Budget Narrative			
Item Name	# of Items	Cost per Item	Total Cost
Vehicles	12	$36,000	$432,000
Total Cost for Equipment:			$432,000

The Applicant requests 12 new vehicles to perform covert monitoring as replacements for vehicles that have reached their useful life as determined by the state's vehicle replacement policy. These vehicles will only be used for grant eligible purposes and are needed to achieve the activities proposed in the application. The cost for purchasing the vehicles is approximately $36,000 each based on the state's procurement contract.

Supplies: Supplies are tangible personal property other than equipment. The FMCSA evaluates supplies costs to ensure that enough detail is provided to enable an informed reader to understand that the cost is reasonable. For example, an applicant need not provide details on the number of paper clips that it will purchase. At the same time, FMCSA cannot accept an amount for office supplies that would equal, say, $8,000 a year per person without further clarification. Some helpful tips:

- A good way to document supplies is to indicate the approximate expenditure of the unit as a whole (e.g., office supplies for the unit cost $XX per month).

- Remember to include a quantity and unit cost for larger cost supply items such as computers and printers.

Supplies Cost Budget Narrative				
Item Name	**# of Units/Items**	**Unit of Measurement**	**Cost per Unit**	**Total Cost**
General office supplies	12	month	$39	$468
Laptop computers	12	each	$2,000	$24,000
Sub-Total Supplies				**$24,468**

General office supplies include paper, printer ink, etc. for 26 staff members in the program. These 26 staff members require supplies that are estimated at $39 for 12 months. Ten part-time staff members require laptop computers and these computers shall be utilized only to fulfill planned activities. There are 10 part-time staff members needing laptops; the extra two laptops are requested for replacement purposes. These staff members perform assigned duties as described in the project's narrative.

Contractual: Contractual object class costs include the cost of any contract or sub-grant agreement between the applicant and another organization (for example a vendor or local government organization). Contractual costs can be categorized two ways: contract or sub-grant.

The FMCSA reviews the contractual budget narrative to ensure it contains sufficient descriptive information about what specific costs (products and/or services) would be charged to the grant, a rationale for how those costs were derived, and the applicability and necessity of each to the grant.

A helpful tip: Include the name of the vendor/sub-grantee, if known. If not, indicate that the selection is pending and an estimated timeframe by which the vendor/sub-grantee will be selected. In the application, the most important component of the contractual budget narrative is the purpose of the contract/sub-grant and how the cost was estimated or derived.

Guidance for Contract Costs: A contract means a legal instrument by which a non-Federal entity purchases services needed to carry out the project or program under a Federal award. A contractor provides the goods and services within normal business operations; provides similar goods or services to many different purchasers; normally operates in a competitive environment; and provides goods or services that are ancillary (but necessary) to the operation of the Federal program. A contractor is not subject to Federal compliance requirements as a result of the grant, though similar requirements may apply for other reasons.

For example, contractual costs could include training, maintenance contracts, or other service contracts except those that belong in different object classes such as equipment or supplies (depending upon your organization's policy). The term "procurement" is used to identify the process of acquiring goods and services from sources outside of the grantee organization. When procuring property and services under a Federal award, an organization must follow the same policies and procedures it uses for procurements using non-Federal funds. Non-competitive procurements should only be used in limited circumstances and should be a last resort.

Guidance for Sub-grant Costs: A sub-grant means an award provided by the grantee (also known as a pass-through entity) to a sub-grantee. A sub-grantee's performance is measured in relation to whether objectives of a Federal program were met; a sub-grantee is responsible for programmatic decision making; is responsible for adherence to applicable Federal program requirements specified in the Federal award; and (in accordance with its agreement), uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

A sub-grant may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. Federal regulations require that all sub-grantees obtain and maintain a Data Universal Numbering System (DUNS) number and continue to maintain an active System for Award Management registration at all times during an active Federal award.

Below is a sample contractual budget narrative for contractor costs. If you intend to provide funding to another organization as a sub-award, provide a new object class budget narrative and line item budget for each sub-grantee organization.

Contractual Cost Budget Narrative	
Description of Services	**Total Cost**
Contract services for programming: 800 hours @ $250	$200,000
Total Cost for Contractual:	**$200,000**
Contract services for programming include an assessment of the timeliness and quality of our data systems; in addition, the contractor oversees the development of plans to implement improvements to the system that support the state's highway safety programs. The contractor will install the necessary software and ensure that it is compatible with all existing platforms.	

Other: Other costs are costs that do not fit within any of the other object class categories. Typical costs in this category include rent for space used to conduct occasional project activities, for leases, and for printing costs. The FMCSA reviews Other costs to determine whether these costs are consistent with the proposed work plan, are necessary to complete the approved work plan, and are not duplicative of costs included in the indirect cost amount. The FMCSA also evaluates the costs to ensure that no unallowable costs, such as entertainment expenses, are included. Below is a sample Other budget narrative. Some helpful tips:

- A lease is considered an Other cost when you are not the prime on the contract; rather, you are partnering with a different agency in your state or using a shared utility, facility or other services purchased through the state for one or more agencies. A lease is considered a contractual cost when you directly engage, and form a contract with, a vendor.

- Group Other object class costs whenever possible (e.g., space, rental, communication, printing, maintenance) in the budget and explain how they support the grant activities; include a description by cost of each expense classified as Other.

- Ensure that Other costs such as professional services, audit, postage, printing, facilities expenses and so forth are not already accounted for in either your indirect cost rate agreement or cost allocation plan.

Other Cost Budget Narrative				
Item Name	# of Unit/ Items	Unit of Measurement	Cost Per Unit	Total Cost
Printing materials	1000	$.50	$500	Printing materials
Total Cost for Other:			$500	

Printed materials are used during outreach activities and at national stakeholder meetings. The average cost per unit is $.50.

Indirect Costs: Indirect costs are costs incurred for common or joint objectives that benefit more than one project. They may be administrative and/or programmatic. The FMCSA reviews indirect cost rates to ensure the rate is valid, calculations are correct in the budget, and that the rate is applied to the appropriate base.

Remember to include your indirect cost rate agreement with your application in Grants.gov if your project's budget will include indirect costs. If your rate will not be approved by the

application due date, attach the letter of renewal or letter of request that you sent to your cognizant agency. This documentation is used as a placeholder until the rate is approved. Grantees may not receive reimbursement for indirect costs until the rate is approved.

To support the budgeted indirect costs, provide the calculations that were used to derive the amount, such as the base to which the indirect cost rate was applied, the rate, and the total amount.