

XV. STATE TRANSPORTATION BOARD POLICY #45

AZ State Match Advantage for Rural Transportation (AZ SMART) Fund (approved 10/18/24)

1. It is the policy of the Board to facilitate the application for, and award of, federal discretionary grants to eligible Arizona applicants.
2. It is the policy of the Board to encourage all eligible applicants to utilize the benefits of the AZ SMART Fund Program.
3. It is the policy of the Board to award AZ SMART Funds:
 - a. To well-developed and administratively complete applications that maximize the State's competitiveness for each federal discretionary grant.
 - b. To applicants demonstrating the financial and technical capacity to successfully deliver the project.
 - c. For projects including safety improvements and demonstrating a public benefit which exceeds the cost of the project.
4. It is the policy of the Board to:
 - a. Approve an application and application guidelines prior to each Request for Grant Applications (RFGA).
 - b. At the discretion of the Board, give preference to applicants that can demonstrate the following:
 - i. The percentage of non-federal, matching cash funds (US \$) to be provided by the Applicant on the federal grant.
 - ii. The extent to which the applicant will partner with other entities to deliver the project, including the amount of cash and in-kind funding to be provided by each entity.
 - iii. Other factors as deemed appropriate by the Board for the applicable federal grant.
 - c. Encourage applicants to:
 - i. Establish federal procurement policies and contracts to enable the rapid development and submission of strong and competitive federal grant applications.
 - ii. Generate well-developed cost estimates based on federal standards to minimize the financial impact to the applicant.
 - d. Require applicants to respond within five business days regarding the following requests to ensure funding can be awarded and deployed in an expeditious manner:
 - i. A request for more information from the Board; and
 - ii. A request to accept or decline an award which differs from the amount in the application.
 - e. Require applicants to begin projects as soon as possible upon an award from the AZ SMART Fund.
 - f. Require all AZ SMART Fund awards to be subject to applicable federal and state laws, regulations and ADOT policies, including procurement, timely obligation and expenditure of funding, invoicing, reporting and other requirements which may be identified by the Board or a federal discretionary grant.
 - g. Allocate interest earnings to each sub fund on a pro rata basis to help sustain the life of the AZ SMART Fund.
 - h. If applicable, redistribute unawarded monies in the AZ SMART Fund in January and July to ensure each funding category is restored to an equal share.