FY2020 GRANT ADMINISTRATION PROCEDURES

For Public Transportation and Transportation Demand Management

Fiscal Year 2020
July 1, 2019 – June 30, 2020
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1.0 INTRODUCTION

This document outlines procedures for recipients of state and federal grants under programs administered by the Virginia Department of Rail and Public Transportation (DRPT). These procedures govern the administration of all transit, transportation demand management (TDM) and planning programs and projects funded by DRPT, from the date applications are approved by the Commonwealth Transportation Board (CTB) until the projects are closed.

The procedures described in this document apply to various staff at agencies and organizations receiving funding from DRPT. Agency staff that is involved with grant agreements, invoicing, funding administration and tracking, capital asset inventory, financial compliance, and project/program implementation and management should read this document and follow the procedures within. The procedures in this document cover the following grant programs:

DRPT’s Grant Programs

- Transit Operating Assistance
- Transit Capital Assistance
- TDM Operating Assistance
- Mobility Programs
- Demonstration Project Assistance
- Technical Assistance
- Public Transportation Intern Program
- Senior Transportation Program
- Environmental Mitigation Trust For State Beneficiaries
- Metropolitan Transportation Planning (FTA Section 5303)
- Enhanced Mobility of Seniors & Individuals with Disabilities Program (FTA Section 5310)

Other Federal Funds Administered or Allocated By DRPT

- Urbanized Area Formula Grants (FTA Section 5307 Governor’s Apportionment)
- Formula Grants for Rural Areas (FTA Section 5311)
- Bus and Bus Facilities Program (FTA Section 5339)
- Flexible Surface Transportation Program (FHWA)

Federal Aid Programs Allocated by MPOs or VDOT and Administered by DRPT

- Congestion Mitigation and Air Quality Improvement Program (CMAQ)
- Regional Surface Transportation Program (RSTP)

This document is one of several resources available to grant applicants and recipients to assist with DRPT’s grant application and post-award grant administration processes. Other resources include DRPT’s Grant Program Application Guidance document and DRPT’s grant workshops.
held in the spring and fall each year. DRPT’s staff is available anytime during the year to provide technical assistance and answer questions regarding specific grant programs and procedures.

2.0 DEVELOPMENT AND APPROVAL OF SIX YEAR IMPROVEMENT PROGRAM

Each spring the CTB reviews a Draft Six Year Improvement Program (SYIP) -a detailed programming document listing the proposed allocation of funding for DRPT and Virginia Department of Transportation (VDOT) programs- and authorizes its release to the public for hearings. After considering comments received from the public, the CTB adopts a Final SYIP. By law, the CTB must adopt a SYIP by June 30. DRPT develops the transit and TDM portion of the SYIP based upon applications from potential recipients for inclusion in the overall SYIP. The DRPT Director is a non-voting member of the CTB and serves as DRPT’s liaison with the Secretary of Transportation and the CTB. Access the SYIP here.

Key Steps

1. Application Submission: After they have reviewed DRPT’s Grant Program Application Guidance, eligible funding recipients must submit applications using DRPT’s On Line Grant Administration (OLGA) System by 11:59pm February 1 or the first business day following February 1. The 5303 application for MPO funding are the only exception to this- with their submission deadline being May 1 of each year (to coincide with the development of Unified Planning Work Programs (UPWP) by the MPOs). Any changes to this schedule will be communicated in advance and will also be displayed in OLGA. Click here to access a tutorial detailing how to pin FTA’s certification and assurances in OLGA.

2. FTA Certifications and Assurances: As part of the Federal Transit Administration’s (FTA) Master Agreement, applicants requesting federal assistance must comply with various federal requirements. These grant terms, conditions, and responsibilities are detailed in a single document produced each year by the FTA called the “Annual List of Certifications and Assurances”. Applicants must self-certify that they are following these requirements and submit this as part of the grant application process by “pinning” FTA’s certifications and assurances document in OLGA. Contracts for federal funding will not be executed unless the FTA certifications and assurances are pinned in OLGA. Click here to access a tutorial detailing how to pin FTA’s certification and assurances in OLGA.

3. DRPT Evaluates Applications: Based upon the Grant Program Application Guidance document, DRPT reviews applications submitted by the deadline (11:59pm February 1 or the first business day following February 1).
4. **DRPT Prepares and Presents the Draft SYIP to CTB:** The Draft SYIP is typically presented to the CTB in late spring. This is usually the third Tuesday of April or May. There will be a notice in OLGA when the draft is released to the public. After the draft is posted, DRPT will request that funding recipients affirm that local matching funds are available to meet the Draft SYIP proposed recommendations.

5. **Public Hearings:** The CTB holds public hearings in the spring on the Draft SYIP. DRPT will post information about the meetings on OLGA as soon as they are scheduled.

6. **Amendments to the Draft SYIP:** The CTB takes into consideration public comments and may direct DRPT to make amendments to the Draft SYIP. Amendments to the draft can also be made to correct any line items that are not properly presented.

7. **Adoption of the Program:** The Final SYIP is adopted by the CTB in June. DRPT Program Managers notify recipients about the CTB action and the Final SYIP is posted on DRPT's website. If any requests for funding were included in the Draft SYIP but not included in the Final SYIP, DRPT will inform the grant applicant in writing.

8. **Following CTB approval,** the recipient may begin incurring expenses on the project at their own risk (see exception to this rule under section 3.1, key step 5). Funding is occasionally reduced due to General Assembly, CTB, or federal actions. DRPT’s participation in projects may be altered based on these changes. The spending for all projects must correspond with the executed contract start and end date. Any expenses incurred outside of the contract period will not be eligible for reimbursement.

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### 3.0 GRANTS WITH FEDERAL FUNDING THROUGH FEDERAL HIGHWAY ADMINISTRATION

Many of the approved transit projects and TDM programs are at least partially funded with federal assistance. These federal funds generally come from the Federal Highway Administration (FHWA) or the Federal Transit Administration (FTA).

The FHWA is the source for Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) funds. It is DRPT’s expectation that most FHWA project funding will be flexed, or transferred, to the FTA and that funds be drawn down directly by recipients.
Flex requests must be initiated by the recipient through DRPT. On an exception basis, these funds can remain with FHWA and be administered through DRPT. Both of these situations are discussed further in section 4.0.

The FHWA also provides Flexible STP funds to VDOT annually. DRPT receives a portion of these funds for transit which are allocated by the CTB in the SYIP based on DRPT recommendations. Flex requests for Flexible STP funds must be initiated by the recipient through DRPT. These funds are discussed further in section 3.2.

3.1 FHWA FUNDING - CMAQ AND RSTP

CMAQ and RSTP projects must comply with all applicable Federal requirements, including those affecting determinations of eligible project costs. All Federal projects must conform to the appropriate cost principles for federal aid. Most CMAQ and RSTP projects are subject to 2 CFR Chapter II Part 200 - also known as "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards". These principles focus on determining the allowable costs for the subject government entities and also provide a discussion of the relationship between appropriate costs and the purpose of the program. In addition to the aforementioned cost principals, FHWA's policy and guidance regulations for CMAQ and RSTP must also be closely adhered to. For all requests for reimbursement submitted to DRPT, DRPT’s Program Manager will make the determination if an expense is eligible for reimbursement or not. Therefore, it is incumbent upon the funding recipient to check with their DRPT Program Manager on the eligibility of an expense before expenses are incurred.

The allocation of CMAQ and RSTP funding is determined by regional Metropolitan Planning Organizations (MPOs) through the Transportation Improvement Program (TIP) planning process and not by DRPT. VDOT and DRPT, include these funds in the SYIP and State Transportation Improvement Program (STIP). Projects are identified by a Uniform Project Code (UPC) assigned by VDOT. UPC projects that were created prior to FY14 are included in the VDOT SYIP and STIP. UPC projects that were created FY14 and after, and assigned to DRPT by VDOT, are included in the DRPT SYIP and STIP. It is DRPT’s expectation that most RSTP and CMAQ project funding will be flexed to the FTA and drawn down from the FTA directly by the approved direct recipient. On an exception basis, these funds can be administered through DRPT, and the recipient can execute a contract with DRPT, who will administer the funds through VDOT and FHWA.

Key Steps

1. **MPO Programming**: Regional MPOs approve the allocation of RSTP and CMAQ funds to transit projects and TDM programs within the region through adoption of the region’s TIP. In the case of Northern Virginia, an additional entity- the Northern Virginia Transportation Authority, makes a preliminary recommendation to the National Capital Region Transportation Planning Board- the region’s MPO.
2. **RSTP or CMAQ Fund recipients’ notification to DRPT:** Recipients of RSTP or CMAQ funds should ensure these projects are included in their TIP, as well as in the STIP and SYIP to minimize delays in executing a contract. VDOT and the FTA will not approve the flex of funds unless the project and funding are in the STIP. Federal funding recipients should send an email to the DRPT Manager of Financial Programming and the DRPT Program Manager regarding their federal funding award. This email should include all of the following information:

- Project name
- UPC (listed in SYIP or STIP)
- Project funding source (CMAQ, RSTP, etc.)
- Fiscal year of the SYIP in which allocation was approved
- FTA approved direct recipient’s request to “flex” funds to the FTA or the recipient’s request to have DRPT administer the federal funds.
- If the recipient requests that the funds be flexed, the recipient must have started an application in TrAMS (FTA’s grant system) and provide the initial TrAMS application number which will use the funds.

The process of flexing funds or executing agreements for FHWA funds can take up to six months when TIP/STIP amendments are required. DRPT must work through VDOT, FTA, and the FHWA to flex funds or to obtain federal authorization for projects. This is why it is vital for a recipient to ensure their projects are in the STIP and SYIP appropriately once they have received an allocation of FHWA funding from the MPO on one of their projects. The Appropriations Act requires all RSTP funds be obligated in a federal award within 12 months of being allocated by the CTB and expended within 36 months of being obligated; CMAQ funds must be obligated in a federal award within 24 months of being allocation by the CTB and expended within 48 months of being obligated.

3. **DRPT Notification to VDOT to Flex FHWA Funds:** After receiving approval from the FTA to flex funds, DRPT notifies the VDOT Federal Programs Division. VDOT then flexes the funds to the FTA, after receiving approval from the FHWA. After the funds are transferred/flexed to the FTA, the recipient must complete their FTA application in TrAMS to get their award from the FTA. After the FTA awards the federal grant, they must notify DRPT’s Financial Programming Manager of the approved FTA grant number, so that an agreement for the state match can be written and executed.

4. **DRPT Notification to VDOT to Authorize FHWA Funds:** It is DRPT’s expectation that most projects will be flexed, or transferred, to the FTA and drawn down directly by recipients. On an exception basis, these funds can be administered through DRPT.
When the funding recipient requests that CMAQ or RSTP funds be administered by DRPT, and DRPT approves, DRPT will work with VDOT to obtain a federal authorization number and to have the federal funds obligated. If the federal funding is appropriately included in the TIP, STIP, and SYIP, this process should take approximately one month, however, it may take longer. Funding recipients should allow for a minimum of three months for the federal authorization process and should send their request to receive funds to DRPT with that timeline in mind.

5. **Preparation of Project Agreements:** When VDOT gives DRPT a federal authorization number to confirm the obligation of funds, DRPT proceeds with writing a federal project agreement. Unlike the process described in section 2.0, key step 8, for state funding recipients, FHWA authorized funding recipients cannot spend federal funding or state matching funds prior to the federal authorization date. See section 5.0 for details on agreement preparation and signing the agreement.

### 3.2 FHWA FUNDING - FLEXIBLE STP

Each year, the FHWA allocates Flexible STP funds to State DOTs. DRPT is allocated a portion of those funds allocated to VDOT, to be used for projects chosen by DRPT. DRPT allocates Flexible STP funds to projects during the development of the SYIP (discussed in section 2.0).

**Key Steps**

1. **Funding Included in TIP:** DRPT works with the eligible funding recipients and MPOs to ensure that the approved Flexible STP funded projects are properly reflected in the TIP. Funding recipients should also work with their MPO to ensure the funding is properly reflected in the TIP. DRPT also processes a STIP amendment/adjustment to add this funding to the DRPT STIP, based on MPO action on the TIP.

2. **DRPT Applies in TrAMS for Rural Providers:** For rural transit providers, DRPT applies in TrAMS for the Flexible STP funds. DRPT will ensure the funding is included in the STIP for rural providers that are not associated with an MPO. Once the FTA has approved the federal grant in TrAMS, DRPT will write state and federal project agreements, as discussed in section 5.0.

3. **Non-Rural Providers Apply in TrAMS:** Other than rural transit providers, all other transit providers will apply in TrAMS directly to access their Flexible STP funds. After receiving approval from the FTA to flex funds, DRPT notifies the VDOT Federal Programs Division to flex the funds to the FTA for the direct draw down of funds by the FTA approved direct recipient through TrAMS. In addition, DRPT copies the FTA on the flex request made to VDOT. When VDOT notifies DRPT that the flex is complete, the Financial Programming Division will notify the federal funding recipient, who can then complete their application in TrAMS for the funds. If the federal funding is appropriately included in the TIP, STIP, and SYIP, this process takes approximately one month. After the TrAMS application is approved, the applicant must notify the Manager of Financial Programming and their
DRPT Program manager of the approval via email. The email should include the federal award number, the funding amounts, approved line items, and the information included in the approved DRPT SYIP. DRPT will then write a state project agreement for the state matching funds, as discussed in section 5.0.

4.0 GRANTS WITH FEDERAL FUNDING FROM FEDERAL TRANSIT ADMINISTRATION

FTA funding is identified in the Federal Register. These funds may be for a specifically identified recipient, such as a FTA Section 5307: Urbanized Area Formula Grants apportionment or FTA Section 5339: Bus and Bus Facilities Program allocated funds. They may also be awarded to DRPT in the Federal Register and allocated to recipients through the annual SYIP process. The following FTA programs are discussed in section 4.1 and 4.2:

- FTA Section 5303: Metropolitan Transportation Planning,
- FTA Section 5307: Urbanized Area Formula Grants,
- FTA Section 5339: Bus and Bus Facilities Program,
- FTA Section 5310: Enhanced Mobility of Seniors & Individuals with Disabilities, and
- FTA Section 5311: Formula Grants for Rural Areas.

Urban recipients must apply for FTA funding through FTA’s online grant system, TrAMS.

4.1 FTA FUNDING – TRANSIT PROVIDER IS DIRECT RECIPIENT

Funding from FTA programs 5303, 5310, 5311, and most of 5339 are always applied for by DRPT, making DRPT the direct recipient of the funds- this process is discussed in section 4.2. However, FTA program 5307 funds are always applied for directly by the recipient. This process is described below.

Key Steps

1. **Notification to DRPT:** Recipients are responsible for applying for state matching funds to the FTA Section 5307 or FTA Section 5339 funds during the grant application period discussed in section 2.0. Recipients must ensure that the TIP accurately reflects the project and funding. DRPT will amend/adjust the STIP as necessary, based on TIP actions received from MPOs.

2. **Governor’s Apportionment:** DRPT allocates 5307 Governor’s Apportionment funds to small urban recipients based on the allocation in the Federal Register. In instances
where there are multiple transit providers within one urban area DRPT requires a “split letter” from transit providers. A split letter is an agreement between transit providers in a specific small urban area on how to split the 5307 and 5339 funds allocated to their area. This letter helps further guide DRPT’s allocation of 5307 funds. After the CTB approves the SYIP in June, small urban recipients should review the 5307 Governor’s Apportionment allocation, and ensure their MPOs are notified, so that the TIPs can be amended or adjusted, if necessary. DRPT will make STIP amendments/adjustments based on TIP actions received from MPOs, if necessary.

3. **TrAMS Application:** Recipients apply for 5307, 5339, and any discretionary funds they were approved for in TrAMS.

4. **Notification to DRPT of Approval:** After a recipient’s TrAMS application is approved, the recipient must notify DRPT’s Manager of Financial Programming and their DRPT Program Manager of the approval via email. The email should include the federal award number, the funding amounts, approved line items, and the information included in the approved DRPT SYIP.

5. FTA allows Pre-Award Authority that gives authority under specific and limited circumstances to incur costs for eligible project activities (before the Federal Award Date), without prejudice to possible federal participation in the cost of these project activities. Failure to follow all federal regulations can disallow these costs.

6. **Preparation of Project Agreements:** Upon TrAMS notification of grant approval, DRPT’s Financial Programming Division will prepare a state project agreement for matching funds. See section 5.0 for further details.

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**4.2 FTA FUNDING – DRPT IS RECIPIENT**

DRPT is the direct recipient for some FTA program funds, which are then distributed to recipients throughout Virginia. These FTA programs include: 5303, 5307 Governors Apportionment, 5311, and 5339. DRPT is also a direct recipient for the FTA 5310 funds for rural and small urban programs. DRPT is the designated recipient for the FTA 5310 funds allocated to the Hampton Roads, Richmond, and Roanoke urbanized areas. The FTA funding awarded to DRPT is distributed to DRPT recipients through DRPT’s application process using OLGA. All applications are due by **11:59pm February 1 or the first business day following February 1**. The 5303 application for MPO funding are the only exception to this- with their submission deadline being May 1 of each year (to coincide with the development of Unified Planning Work Programs (UPWP) by the MPOs). Any changes to this schedule will be communicated in advance and will also be displayed in OLGA.
Key Steps

1. **Governor’s Apportionment**: DRPT allocates 5307 Governor’s Apportionment funds to small urban recipients based on the allocation in the Federal Register. In instances where there are multiple transit providers within one urban area DRPT requires a “split letter” from transit providers. A split letter is an agreement between transit providers in a specific small urban area on how to split the 5307 and 5339 funds allocated to their area. This letter helps further guide DRPT’s allocation of 5307 funds. After the CTB approves the SYIP in June, small urban recipients should review the 5307 Governor’s Apportionment allocation, and ensure their MPOs are notified, so that the TIPs can be amended or adjusted, if necessary. DRPT will make STIP amendments/adjustments based on TIP actions received from MPOs, if necessary.

2. **DRPT Applies in TrAMS**: DRPT applies in TrAMS for the 5303, 5310, 5311, and some 5339 funding. After the TrAMS application is approved, DRPT’s Financial Programming Division will prepare a federal project agreement and state project agreement for funds. See section 5.0 for further details.

3. **Recipient Applies in TrAMS**: DRPT will write a letter to the FTA to confirm the allocation of the 5307 Governors Apportionment funds based on the approved SYIP. If DRPT’s FTA 5339 funds have been allocated to a small urban transit provider, DRPT will write a letter to the FTA to confirm the allocation of the 5339 funds. In both these cases, the transit provider will apply for the federal funds directly with the FTA. The transit provider must notify DRPT’s Manager of Financial Programming when the TrAMS application is approved. The Financial Programming Division will prepare a state match agreement based on the approved FTA grant.

4. **Provide Data to DRPT**: Any recipient receiving FTA funding through DRPT is required to provide semiannual data to DRPT for the required submission on Disadvantaged Business Enterprises. The periods are October 1 through March 31 and April 1 through September 30 of each year, with the reports due to DRPT on April 30 and October 31, respectively. These reports provide the total contracting opportunities each recipient had throughout the six month period as well as how many of those opportunities went to Disadvantaged Business Enterprises. DRPT’s Civil Rights Officer will contact you with further details.

5. **Certification**: Transit recipients awarded grants exceeding $25,000, must obtain a certification from contractors awarded contracts in excess of the federal small purchase threshold stating that they are not suspended or debarred from receiving federally assisted contracts. Recipients must provide immediate written notice to DRPT for reporting to FTA if they learn that their certification or the certification of any contractors is no longer valid. The General Services Administration publishes the *List of Parties Excluded from Federal Procurement and Non Procurement Programs*. Recipients can search the list on the GSA website [here](#). 5311 Application must include the Department...
of Labor (DOL) **Special Warranty Arrangement Certification form** (formerly Section 13c). The form will be attached in the FTA Section 5311 OLGA application.

6. FTA allows Pre-Award Authority that gives authority under specific and limited circumstances to incur costs for eligible project activities (before the Federal Award Date), without prejudice to possible federal participation in the cost of these project activities. Failure to follow all federal regulations can disallow these costs.

### 5.0 DEVELOPMENT AND EXECUTION OF GRANT AGREEMENTS

Following approval of the SYIP by the CTB, DRPT develops state project agreements for the approved **projects funded solely with state and local funds**. Recipients are authorized to proceed on expenditures for projects funded only with state and local funds as of the date of the CTB approval of DRPT’s SYIP, before execution of the state project agreements and at their own risk. Project agreements for state matches to federal funding are written when the recipient provides an executed FTA award number to DRPT staff and funds are approved for expenditure based on the dates approved in the FTA award. If DRPT is administering the federal funds, project agreements for the federal funds and state match are written when DRPT receives an approved FHWA authorization number from VDOT or when DRPT receives an executed FTA award number from the FTA; these funds are approved for expenditure when the federal award is approved. FTA, however, does allow “pre-award” authority; this means expenditures can be made before the actual award, if “pre-award” has been specified in the application and approved by the FTA. FHWA does not allow “pre-award” authority. In all cases, the project agreements for the state matches can only be developed if all appropriate amounts are included in an approved SYIP, either VDOT’s or DRPT’s.

Project agreements are subordinate to master agreements, and contractually specify the details of funded projects. Separate project agreements are executed for each project undertaken by a DRPT recipient. DRPT project agreements include a project agreement summary, the maximum state or federal share of eligible expenses, the project schedule, and the project budget which specifies the project description for which the budget may be spent. The start date of the project agreement for federal funding or state match to federal funding cannot precede the approval date of the federal authorization agreement from the FHWA, or the approval date of the FTA award (unless pre-award authority was granted). In the case of the FTA award, DRPT cannot identify a start date prior to the date the project was approved by the CTB.

Contact DRPT’s Financial Programming staff for any questions about the agreements.

**Key Steps**

1. **Review and Approval of Agreements by DRPT**: The agreements are prepared by DRPT’s Financial Programming staff and submitted to the DRPT Legal Counsel for
Agreements are then uploaded to OLGA for review and approval by the DRPT Program Manager, Division Administrator, and Finance Department; it is then released to the grant recipient for execution in OLGA. Once the agreement is executed by the grant recipient, the DRPT Director or CFO will execute the agreement. The fully executed agreement is then available in electronic format in OLGA and the project is open for reimbursement. The agreement must be signed only by grant recipient agency personnel with the authority to sign agreements and enter their agency into a binding agreement. DRPT reserves the right to obtain a copy of written authorization stating that the person executing the agreement has the authority to do so.

2. Approval of FTA Certifications and Assurances: As part of the FTA’s Master Agreement, applicants requesting federal assistance must comply with various federal requirements. These grant terms, conditions, and responsibilities are detailed in a single document produced each year by the FTA called the “Annual List of Certifications and Assurances”. Applicants must self-certify that they are following these requirements and submit this as part of the grant application process by “pinning” FTA’s certifications and assurances document in OLGA. Contracts for federal funding will not be executed unless the FTA certifications and assurances are pinned in OLGA. Click here to access a tutorial detailing how to pin FTA’s Certification of Assurances in OLGA.

3. Contact Information: Recipients must maintain the correct contact information in OLGA at all times. The information in OLGA is considered the “official” contact list for DRPT. When project agreements are ready to be pinned, the notifications will go out to the contacts listed in OLGA. If the names have not been updated, the notification may not reach those who need to know about it.
5.1 SMART SCALE PROJECTS

Agreements for SMART SCALE transit projects will follow the same steps listed in section 5.0 above. Once the project has been approved by the CTB and funding is allocated by year, DRPT will create the contract.

If federal funds have been allocated, the federal funds will need to be flexed to the FTA, annually.

The contract will follow the process noted above in section 5.0, but it will be prepared using the multiyear funding agreement format.

6.0 GRANT REIMBURSEMENTS

DRPT provides funding for approved projects on a reimbursement basis, after recipients incur expenses. After the project agreement has been fully executed, recipients can begin to submit reimbursement requests through OLGA. The frequency of reimbursement requests should reflect the rate of expenditure on each project, but should not exceed one request a month per project. Reimbursement requests must be submitted at least quarterly, unless there have not been expenditures during the quarter. Click here to access a tutorial detailing reimbursement request submissions in OLGA.

IMPORTANT NOTICE: Starting in FY2020, TDM Operating Assistance grant recipients are required to submit reimbursement requests through OLGA to receive grant payments.

Transit operating grant funding recipients do not submit reimbursement requests through OLGA. To review procedures for transit operating payments, please see section 7.0.

The following is a high-level summary of what recipients must supply to DRPT when submitting a reimbursement request. Recipients must be sure to include all of the required information with their reimbursement request so that DRPT Program Managers are able to properly review the reimbursement request and consider approving for payment. Please note that expenditures must have been incurred but not necessarily paid before seeking reimbursement. Upon receiving funds from DRPT, funding for incurred expenses must be paid out within five days for state funds and one day for federal funds. This information is expanded upon in the State Master Agreement. Some of the key elements of a State Master Agreements include:

- Lean/security interests
- Service life of rolling stock
- Value engineering for major capital projects
- Adherence to designated service area and equipment use

**Key Steps**

1. When submitting a DRPT reimbursement request, the recipient must ensure the amounts submitted are appropriately supported (see section 6.1) and are for authorized activities in accordance with the Master Agreement and Project Agreement.

2. Grant recipients should verify that the expenses submitted on the reimbursement request were incurred during the designated time frame of the project.

3. The reimbursement request as well as all supporting documents pertaining to the reimbursement request, as detailed in section 6.1, and those requested by DRPT Program Mangers during the review process, must be uploaded to OLGA by the grant recipient.

4. A “Summary Sheet” must be uploaded in OLGA with the reimbursement request. The “Summary Sheet” is a listing of all expenses included in the reimbursement request. The “Summary Sheet” should show the following for each expense:
   - Date of paid invoice
• Invoice number
• Total amount of invoice
• Amount charged to the reimbursement request
• Name of vendor
• Description of the expense
• Explanation of why reimbursement of only part of the total expense is being requested, if applicable
• Expense category
• Total amount charged

The total amount on the “Summary Sheet” must equal the total amount of the reimbursement request. Proper supporting documentation, as described in section 6.1, must be uploaded in OLGA and be arranged in the identical order as listed on the “Summary Sheet.”

5. As part of their reimbursement requests, recipients of TDM Operating, Mobility Programs and Technical Assistance funding must provide a summary report of work performed and progress made. Copies of invoices paid do not always clearly show what work was performed on the project and a summary report is needed to clarify what was completed and work conducted on the project.

6. Recipients of FTA 5310 funding for Mobility Management must also provide the updated mobility management work plan detailing progress toward the agency’s mobility management goals. The mobility management work plan spreadsheets must be submitted with the reimbursement request in OLGA on at least a quarterly basis, following the submission due dates listed below.
   • Data from:
     • October through December is due January
     • January through March is due April
     • April through June is due in July
     • July through September is due October

7. For 5311 Operating Assistance or any other type of reimbursement request that is supported by an excel spreadsheet, the recipient must also provide a general ledger or other financial system reports, that validate the amounts listed on the excel spreadsheet. If the amounts on the GL or other financial system reports do not match the amounts on the excel spreadsheet, the recipient must provide “crosswalk” documentation showing why there is a variance.
   • Please do not send in cancelled checks or receipts to support all of your state operating expenses. DRPT Program Managers will contact you should they require support in addition to that specified above.
For any operating assistance funded through CMAQ, however, the FHWA has much more stringent requirements for supporting documentation. Recipients of FHWA funds should be aware that expenses lacking a receipt will be ineligible for reimbursement.

6.1 SUPPORT DOCUMENTS

All reimbursement requests must include legible supporting documentation that details the expenses charged to the project, that those expenses are germane to the project, shows the items produced through the project, and the work performed. Sufficient supporting documentation attached to reimbursement requests is required to provide evidence and justification for every expense. Support documents provide DRPT staff and external auditors with assurance that expenses paid are in accordance with the terms of the Master Agreement and the Project Agreement.

The following is a summary list of documents that should be provided with a reimbursement request. The summary list does not include every document that must be provided with a reimbursement request, as some support documentation is specific to the program or project. A detailed list of documents needed for reimbursement of travel expenses is provided in section 6.3.

- Staff time and benefits charges
- Contractor staff charges and details of work performed by each staff person
- Contractor invoices, documents and items produced
- Copies of promotional and marketing materials (e.g. print, radio, TV, online social media advertisements; flyers; posters; social media postings; email marketing; etc.)
- Copies of reports, plans, surveys, research, meeting documents, presentations, etc. produced through the project
- Legible copies of paid invoices
- Receipts
- Images of promotional items

Receipts and invoices must clearly state what was purchased or what the items are. Recipients may need to write a short description on the receipt or invoice to indicate what the item is, the purpose of the item, and how it was used. These notations are helpful when a DRPT Program Manager reviews the reimbursement and for auditors to understand why those expenses were incurred and charged to the project.

Supporting documentation must be from an official source such as a receipt, a third-party invoice, or from the recipient’s general ledger or other financial system report. Questions about supporting documentation should be forwarded to the recipient’s DRPT Program Manager prior to submittal of a reimbursement request.
6.2 INDIRECT COSTS

Some, but not all, grant programs allow indirect costs as a reimbursable expense. Grant recipients that want to charge indirect costs must first have a Cost Allocation Plan that includes the calculation of the indirect cost rate. The indirect cost rate calculation must be approved by either a federal agency or VDOT. The grant recipient must provide an approval letter from one of these agencies to DRPT prior to charging indirect costs to a project.

In addition, indirect costs must have been included as a line item budget category in the submitted OLGA application for funding. Check with a DRPT Program Manager if there are any questions regarding eligibility of indirect costs.

Recipients that intend to seek FTA reimbursement for indirect costs must prepare an Indirect Cost Rate Proposal (ICRP) unless a recipient chooses to use a minimum rate of 10% of the modified total cost. For a recipient of FTA Section 5310 operating funds, the 10% minimum rate is the only allowable indirect cost rate.

The following are basic requirements for an ICRP:

- The initial ICRP must be approved by FTA.
- ICRPs must be updated annually.
- The updated ICRP must be retained and made available for review at the recipient’s annual single audit.

For more guidance regarding indirect cost, refer to FTA circular FTA C 5010.1E: Award Management Requirements.

6.3 TRAVEL REIMBURSEMENTS

DRPT will reimburse personnel traveling on official business or training directly related to the grant project for reasonable and necessary expenses incurred. The use of grant funds to accommodate personal comfort, convenience, and taste is not permitted. Travel expenses are open to the public and must be able to withstand the test of public review. When planning and paying for travel expenses, travelers and travel planners must seek ways to reduce the cost of travel. Economy, prudence, and necessity should be of primary concern in the decision-making process.

For travel expenses related to training under the FTA Section 5311 Rural Transit Assistance Program (RTAP) and Small Urban Transit Program, see section 10.0.

DRPT will only reimburse travel expenses in accordance with and up to the state and federal approved rates for lodging, mileage and per diem amounts. The Commonwealth of Virginia uses the General Services Administration (GSA) rates for Lodging and Meals & Incidents Expenses (M&IE). GSA rates are generally published for the Federal fiscal year which runs from Oct. 1st to
Sept. 30th annually. **DRPT’s reimbursement rules for travel expenses apply to all state and federal funding administered by DRPT, the associated local match for those grants, and consultants performing work that is charged to grants.**

**Travel Meals:** Reimbursement for meals are only valid when there is approved overnight travel. Expenses for meals for same day trips are not eligible for reimbursement. Expenses for alcoholic beverages are not eligible for reimbursement. GSA’s M&IE rates vary by time of year, location, whether meals were provided or not, and travel days. Rates may vary from when the travel was scheduled to the actual travel dates. Therefore, it is important to review the GSA rates and rules to ensure the correct amounts are used in the reimbursement request.

**Lodging:** Lodging may be reimbursed when an individual is traveling overnight on official business outside his/her work region or program/project service area. **Verify with your agency’s assigned DRPT Program Manager to determine if reimbursement for overnight travel is permitted before traveling.** Lodging expenses must follow GSA’s lodging guidelines and rates and be reasonable and necessary. Rates above the GSA lodging rates as well as the taxes and fees associated with the higher rates will not be reimbursed. When the lodging rate exceeds the GSA rate, taxes and fees must be prorated and the recalculation of lodging expenses must be shown in the reimbursement request. A receipt for the booking of the hotel is insufficient proof the stay took place. A receipt for actual hotel stay and payment received must be provided with the reimbursement request.

**Travel Pre-Check:** Before making arrangements or incurring expenses to attend conferences, workshops, training, and anything that requires an overnight stay grant recipients should contact their DRPT Program Manager for a “pre-check” of eligibility. The DRPT Program Manager will review whether the workshop, training or conference is related to the grant project and therefore an eligible expense; verify staff attending and the review that the planned travel days are correct and valid. The “pre-check” helps ensure that grant recipients incur expenses for travel that are appropriate and eligible for reimbursement.

Prior to arranging travel and incurring expenses, grant recipients should send their DRPT Program Manager the following information for “pre-check.”

- Name, description, location and dates of the conference, workshop, training, etc.
- The names of staff that plan to attend
- The dates of overnight stays for each attendee

**Advance Payments:** DRPT does not reimburse for cash advance payments to the traveler. Only the actual travel expenses will be reimbursed.

**Documents Needed for Overnight Travel Reimbursements:** Reimbursement requests that include travel expenses must include documentation and receipts for all travel expenses. Required documents include:
• Travel expense summary listing sheet. (This is a listing of each travel expense and includes the following: date of travel, lodging, flight, etc.; detailed purpose of travel; destination; mileage, amount of expense being charged)
• Receipt for parking
• Receipt for tolls (toll roads should not be used only for convenience; receipts include EZ-Pass printout)
• Receipt for purchased ground transportation (e.g. taxi, Lyft, Uber, airport shuttles, etc.)
• Airline ticket/boarding pass and payment receipts
• Baggage fee receipts
• Printout of public transportation fares from transit operator’s planning tool or website
• Hotel stay receipt showing room rate, taxes and fees detail, and zero balance
• Receipt for registration fees
• Agendas or programs for meetings, conferences, workshops, etc.
• Travel maps showing mileage and route taken

Documents Needed for Travel for Meetings: Reimbursement requests for meetings and business travel that does not require overnight stay must include documentation that justifies and explains the purpose and location of the meeting. The IRS mileage rate should be used when a personal vehicle is used for travel. Required documents include:

• Travel expense summary listing sheet that includes:
  o Date of travel
  o Address of destination
  o Name of meeting
  o Purpose of meeting
  o Miles traveled
  o Calculated mileage expense
  o Parking, tolls, etc.
• Agendas for meetings
• Travel maps showing mileage and route taken (if tolls are being charged, the route map must show that a toll road was taken)
• Receipts for parking and tolls (toll roads should not be used only for convenience; receipts include EZ-Pass printout)

6.4 REIMBURSEMENT REQUEST TIMELINE

Project Agreement Execution: Reimbursement requests can only be submitted after the project agreement has been fully executed by all parties.

Submission of Reimbursement Requests: Reimbursement requests must be submitted at least quarterly, but can be submitted monthly. No more than one reimbursement request may be submitted each month for each program/project.
Review and Payment: DRPT will make every effort to review and remit payment within 30 days from submission of the reimbursement request that receives an Approval from the DRPT Program Manager. Approvals will take longer, and thus the payment may be made after 30 days, if the proper support documentation is not included with the original reimbursement request. It may take five to ten business days from the time the Program Manager approved a reimbursement request to when the grant recipient receives payment.

Key Steps

1. **Reimbursement Request Submission**: Reimbursement requests must be submitted through OLGA. All supporting documentation must be uploaded in OLGA with the request. Supporting documentation must include a “Summary Sheet” which should include an itemized list of expenses incurred and/or paid by the recipient for which grant reimbursement is sought from DRPT.

2. **Reimbursement Request Review by DRPT**: After a reimbursement request is submitted in OLGA, DRPT’s accounting staff conducts a cursory review of the request to see if there is a Summary Sheet, support documentation, and if the expenses total the amount of the request. DRPT’s accounting staff will note in DRPT’s internal reimbursement review system if they saw any problems or concerns with the request and “release” the request to the assigned Program Manager. Next, the DRPT Program Manager conducts a full review of the reimbursement request and all support documents.

3. **Upload Additional Documents in OLGA as Needed or Requested**: During the review process, the DRPT Program Manager may request additional support documents. In this case, the grant recipient must upload the additional documents in OLGA.

4. **Reimbursement Request – Approved**: The DRPT Program Manager will approve reimbursement requests only when they include all of the required support documentation, an accurate “Summary Sheet”, the expenses total correctly, the expenses are eligible and necessary, and all applicable state and federal rules have been followed. Approval by the Program Manager means the request is deemed ready to be paid.

5. **Reimbursement Request – Suspended**: The DRPT Program Manager may “suspend” a request for reasons, such as: lack of or missing support documents, missing Summary Sheet, or if there are questions concerning one or more expenses. Suspending the request puts the reimbursement on hold until questions can be adequately answered or documentation provided. When a request is suspended, the responsible DRPT Program Manager will contact the grant recipient to explain the reason for the suspension and what action is needed. Suspending a request is a temporary status – available for no more than 30 days. If the DRPT Program Manager is satisfied with the answers and additional documents received from the grant recipient, the Program Manager will approve the request for payment. If the Program Manager is not satisfied with the
answers and documents, or if the concerns cannot be resolved within 30 days, the Program Manager will “reject” the request.

6. **Reimbursement Request – Rejected:** The DRPT Program Manager will “reject” a reimbursement request under the following circumstances:
   - There are one or more ineligible expenses.
   - There is an error in the total amount of the expenses.
   - The grant recipient cannot provide sufficient support documentation.

   DRPT staff cannot make changes to the amount of the request. Therefore, if there is any error in the request, the entire request must be rejected. Once a Program Manager rejects a reimbursement request, that request is completed and no further action will be made. The grant recipient designated OLGA contact will receive a notification through OLGA that the request has been rejected. The notice will include the reason for the rejection.

7. **Resubmission of a Request:** If the original reimbursement request was rejected, the grant recipient shall make the necessary corrections and resubmit the request. Resubmissions of prior reimbursement requests will not be counted against the one-a-month reimbursement submission rule.

8. **Final Reimbursement:** The final reimbursement request must be submitted in OLGA within 90 days from the project end date.

9. **Reimbursement Payment:** After a reimbursement request has been approved by the DRPT Program Manager, DRPT’s accounting staff will process the payment and a check or electronic payment will be generated by the Treasurer of Virginia.

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**7.0 PUBLIC TRANSIT OPERATING ASSISTANCE PAYMENTS**

Payments for state transit operating assistance are made monthly, quarterly, or annually (based on a schedule approved in the agreements) to approved grant recipients, without the submission of reimbursement requests. For transit providers in the FTA Section 5311 program, recipients must submit requests for reimbursement to receive federal operating assistance. Please see section 6.0 for information about reimbursements.
8.0 PROJECT TIME EXTENSION REQUESTS

Grant recipients may require a time extension in order to complete a project. If more time is needed to complete a project than is stated in the contract, the grant recipient must submit a project extension request in OLGA at least **30 days prior to** the project’s end date. DRPT will allow only one extension per project. The maximum allowable extension is 12 months from the original project end date. Exceptions to these rules are rare and require significantly more detail and assurances from the grant recipient and as well as more DRPT review. DRPT Program Managers will review the extension request, with a greater number of DRPT internal approvals required if any of the following are true:

- Balance remaining of $1 million or more of state controlled funds.
- Recipient made the request after the end date of the project had passed.
- The extension request exceeds 12 months.
- The grant has already been previously extended.

Key determining factors in the approval of requests are the reasons provided by the recipient on why the project cannot be completed on time and the recipient’s plan for completing the project in a timely manner. Scope of work changes will not be considered as part of a request for a time extension. Approval of a time extension is not guaranteed. Click [here](#) to access a tutorial detailing time extension request submissions in OLGA.

The end date for TDM Operating Assistance projects cannot be extended. TDM Operating Assistance projects are fiscal year grants and grant funds do not roll into the next fiscal year. Eligible recipients apply for TDM Operating Assistance each year so a new grant starts at the beginning of each fiscal year.

**Key Steps**

1. **Submit Extension Request:** An extension request must be submitted in OLGA at least 30 calendar days prior to the original end date of the grant. The request must include a detailed explanation of why an extension is needed, why the project could not be completed within the original timeline, a schedule of work with timeline to project completion, and a budget drawdown timeline.
2. **DRPT Reviews Extension Request**: A DRPT Program Manager will either approve or deny the request or contact the requestor for more information.

3. **Notification of Decision**: OLGA will notify the requestor of the decision by email. If the extension is denied, the requesting agency will have 10 business days from the date of notification to appeal the denial. Letters of appeal should be directed to DRPT’s Chief of Public Transportation.

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**9.0 PROJECT BUDGET AND SCOPE CHANGE REQUESTS**

A grant recipient may sometimes wish to change the scope of a project after it has been awarded or need additional funding to complete a project. Recipients of TDM Operating Assistance or Transportation Management Project Assistance funding may also request changes to the line item budgets in their approved grant budget without change to the total approved project budget. DRPT is legally required to seek CTB approval for all changes that are in excess of $200,000. In order to maximize transparency and openness in DRPT’s award process, however, it is vital that all projects be evaluated equally, that the SYIP be discussed in a public forum, as is legally required, and that the SYIP is approved as a whole whenever possible. In the majority of the cases where a scope change is being requested, DRPT will require the grant recipient deobligate the fund balances from a completed line item and submit an application for the change requested (i.e. a new project) during the following grant cycle. If
the recipient can justify why waiting until the next grant cycle is not practical (i.e. additional funds are needed to complete an on-going project or potential loss of federal funds), DRPT may consider approving the request off-cycle.

DRPT does not permit funds to be reprogrammed between different projects. Extra funding will be deobligated and, as noted above, either the recipient will be asked to apply for the new project during the next grant cycle or an off-cycle grant will be considered. Please note that verbal authorization for moving funds is not considered valid. During any compliance review, written authorization (i.e., an approved Request to Change SYIP Allocation form) for such changes will be required.

An example of this is in a situation where grant funding was awarded for the purchase of a specific vehicle. If funds remain after the vehicle is purchased, the remaining funds may not be used toward anything outside of the approved project’s scope. The remaining funds must be deobligated. In the cases of major expansion projects in MERIT, Virginia’s state transit capital funding prioritization process, scope changes will require DRPT to re-score a project and could potentially result in a loss of funding.

9.1 BUDGET AND SCOPE CHANGE REQUESTS

Key Steps:

1. **Submit Request to Change Form**: To request a minor scope change or budget increase, contact your DRPT Program Manager for a Request to Change SYIP Allocation form. The form must be signed by an authorized agent of the recipient’s agency and include a detailed justification with milestones and dates for the request. Such requests must be reviewed and approved by the appropriate DRPT Program Manager, before being reviewed by DRPT Executive Team.

2. **DRPT Reviews Request**: DRPT will evaluate the request and communicate the decision to the requestor, in OLGA, within 40 business days. If the request is approved, the grant recipient will receive new grant documentation to reflect the approved funding situation.

3. **Process for Denial of Request**: If the request is denied, the requestor will be encouraged to apply for the requested funding during the next grant cycle and the current funding in question will be deobligated through OLGA. If the requestor disagrees with the decision, the requestor has 10 business days from the date of notification by DRPT to appeal a denial of a budget increase request.

9.2 BUDGET AND SCOPE CHANGE REQUEST FOR TDM OPERATING ASSISTANCE OR MOBILITY PROGRAMS

Recipients of TDM Operating Assistance or Mobility Programs funding must contact their DRPT Program Manager when they expect the expenses for a line item expenses category will exceed the approved line item budget in their approved application. **Failure to obtain pre-approval**
from DRPT for line item budget transfers or significantly exceeding the budget in a line item may result in denial of reimbursement of the additional expenses for that line item, even if the total budget is not exceeded.

**Key Steps:**

1. Recipients of TDM grant funding should regularly monitor the total and line item expenses of their projects and programs.

2. When expenses for a line item are expected to exceed the DRPT approved budget for that line item, the recipient should immediately contact their DRPT Program Manager.

3. If the line item overage is expected to be less than five percent (5%), the DRPT Program Manager will authorize a transfer from another line item to the line item where the overage is expected.

4. If the overage is five percent (5%) or more, the DRPT Program Manager will require the recipient to submit a Budget Revision Request Form to request approval from DRPT to transfer budgets from one or more line items to another.

5. The Budget Revision Request Form must be completed in its entirety, including an explanation of the reason for the line item overage and an explanation of how the project or program will not be negatively impacted by reducing the budget for another line item. The DRPT Program Manager may review the Annual Work Plan (AWP) submitted with the grant application to help determine that all aspects of the AWP will still be sufficiently completed. It is recommended that if a line item budget has to be reduced that line items for training, conferences and workshops, and memberships be used before the line items for advertising placement, commuter assistance fairs, direct outreach to employers, employees and residents.

6. **DRPT Reviews Request:** DRPT’s Program Manager will approve or deny the Budget Revision Request within 10 business days.

### 10.0 TRAINING ASSISTANCE

DRPT administers two training scholarships the [FTA Section 5311 Rural Transit Assistance Program (RTAP)](https://www.fta.dot.gov/5311.html) and the State-funded Small Urban Transit Program.

Scholarships are available through DRPT for RTAP funds to assist rural and specialized transit operations to further the development of management skills and to encourage
the development of professional networks by attending transit training, seminars, workshops and conferences.

**All RTAP and Small Urban Scholarship requests must be submitted through the OLGA application process.**

**All approved RTAP grant scholarships will be reimbursed up to 100% of eligible expenses.**

**All approved Small Urban grant scholarships will be reimbursed up to 95% of eligible expenses.**

**10.1. ELIGIBLE APPLICANTS**

**Rural Areas:** Public and non-profit organizations that provide transportation services or mobility management services in non-urbanized areas of Virginia are eligible to apply. This training assistance is funded through the FTA Section 5311 program, however FTA Section 5310 recipients are eligible for training assistance in the event that appropriate training is selected.

**Small Urbanized Areas:** Providers of specialized transportation or mobility management services in urbanized areas, such as FTA Section 5310 funded agencies, as well as FTA Section 5307 public transit operators in small urbanized areas, have many of the same training and technical assistance needs as transit providers in nonurbanized areas. DRPT permits participation by these providers, at the State’s discretion, as long as the activities are primarily designed and delivered to benefit nonurbanized transit providers. The FTA 5307 Small Urban Grant Program is available to small urbanized areas in UZAs with a population of at least 50,000 but less than 200,000. The following Small Urban providers are eligible for training assistance scholarships:

- Blacksburg Transit
- Bristol Transit
- Central Shenandoah Planning District Commission
- Charlottesville Area Transit
- Fredericksburg Area Transit
- Greater Lynchburg Transit
- Harrisonburg Transit
- Radford Transit
- Williamsburg Area Transit
- Winchester Transit
10.2 ELIGIBLE PROGRAM CRITERIA
Scholarships are available to reimburse organizations for courses, workshops, seminars, driver roadeos, and conferences with subject matter applicable to rural and specialized transportation and appropriate to the level of expertise of the person(s) attending. Scholarship funds may not be used for lobbying activity, and may not be passed through to for-profit organizations under contract to FTA Section 5310 and FTA Section 5311 recipients.

10.3 APPLICATION PROCEDURES
Please keep in mind the following as you complete the application request:

- Maximum reimbursement rates for hotel rooms, hotel taxes, and meals are limited to rates in the effective edition of the Federal General Services Administration (GSA) Travel Guidelines and should be included in the training assistance application.
- Meals provided as part of the conference or training should be identified and deducted per GSA Per Diem rates.
- Air, bus, and train fares must be booked at the lowest available coach rates. Consider possible air fare increases between the time of your application submittal and the time the request is approved. Estimated luggage fees should also be itemized.
- Include any registration fees in the request.
- Rental car fees are not eligible for reimbursement unless it is demonstrated that the location of the program and lodging make public transportation, shuttles, or walking inaccessible or inappropriate.
- Mileage is not reimbursable through RTAP
- Once the application is approved, increases cannot be made in the request.
- In most cases, an agency staff member will only be approved for one out-of-state conference or training per year.

Key Steps:

1. **Application**: Applications for training assistance should be submitted in OLGA at least 30 days prior to the requested program. A request should include: the program to be attended, staff to attend, detailed description on how the program will benefit the agency and staff, an itemized list of estimated expenses, and an agenda or brochure describing the program to be attended.
2. **Application Review**: All applications will be reviewed by DRPT Program Manager for organization eligibility and program applicability. The individual submitting the application will be contacted by the DRPT Program Manager if additional information is needed and if the application is approved or denied.

3. **Invoicing**: When approved, an invoice will be created and located in OLGA under Grantee Management/Reimbursement Requests.

4. **Reimbursements**: Reimbursement for expenses will be made to the agency, not the individual. In order to receive reimbursement, recipients should submit a detailed list of daily expenses on agency letterhead or EXCEL spreadsheet. This information should include agency Federal ID# and enclose copies of hotel bills and receipts for all other travel expenses (except meals and mileage). These support documents need to be attachments to the request in OLGA as pdf or EXCEL. The reimbursement request should be submitted to DRPT within 30 days of completion of travel.

5. **Unspent balances**: Unspent balances must be deobligated in OLGA.
11.0 PROJECT OVERSIGHT

11.2 QUARTERLY PROJECT REVIEWS

DRPT Program Managers will hold quarterly project review meetings to provide transit and TDM grant recipients technical assistance and ensure projects are proceeding accordingly. Meetings will be scheduled quarterly after the project execution date, with at least one on-site meeting annually. For FTA Section 5310 recipients, meetings will be once annually, with at least one on-site meeting every three years.

Key Steps

1. Quarterly Project/Program Review Meetings: DRPT Program Managers will schedule review appointments with transit and TDM grant recipients on a quarterly basis. These appointments may be on site or via telephone, but at least one meeting annually should be on-site.
   a. DRPT Program Managers and transit and TDM grant recipients discuss the recipient’s progress towards completion of projects, updating milestones as appropriate; problems encountered and proposed resolutions; and anticipated progress during the next quarter. The DRPT Program Manager may request a summary report, copies of invoices, proof of payment or other documents for the review. Other Technical Assistance: The DRPT Program Manager may provide technical assistance as required or requested by the transit or TDM grant recipient and respond to inquiries that the recipient may have regarding projects or other programs and services offered by DRPT.
   b. Other Compliance Issues: DRPT will review Title VI complaints; OLGA contact information; accidents; inventory in TransAM; any outstanding findings from the most recent FTA compliance review and from the DRPT compliance review; and, performance data.

11.3 ENGINEERING OVERSIGHT

DRPT sponsored projects that involve design and/or construction activities will have some level of engineering oversight activities performed by either DRPT staff or a General Engineering Consultant (GEC) representing DRPT.

The level of engineering oversight that will be required on a project will be determined according to risk, to be identified on an individual project basis by DRPT staff. Three main categories will determine the perceived risk of a project: the funding source, the cost and complexity of a project, and the grantee experience administering similar projects. The resulting risk level that is determined, either low, moderate, or high, will dictate the engineering oversight activities DRPT may participate in throughout the project.
The table below details the three possible levels of engineering involvement in DRPT sponsored projects and the corresponding oversight activities that the grantee can expect to occur.

<table>
<thead>
<tr>
<th>Oversight Level (Risk)</th>
<th>Minimum Oversight Activities</th>
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<tbody>
<tr>
<td><strong>Low</strong></td>
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<tr>
<td></td>
<td>o Provide oversight with in-house staff or use General Engineering Consultant (GEC)</td>
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<td></td>
<td>o Attend project kick-off meeting</td>
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<td></td>
<td>o Attend occasional project meetings as needed for updates, either with DRPT staff or grantee</td>
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<tr>
<td></td>
<td>o Final plans, estimate, and construction schedule to be submitted to DRPT for record-keeping purposes</td>
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<tr>
<td><strong>Moderate</strong></td>
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<tr>
<td></td>
<td>o Provide oversight through a GEC or in-house staff</td>
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<td></td>
<td>o Attend project kick-off meeting</td>
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<td></td>
<td>o Attend bi-weekly or monthly project status meetings</td>
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<td></td>
<td>o Review project procurement documents (RFP package, IFB package, bid submittals, etc.)</td>
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<tr>
<td></td>
<td>o Perform high level review of design phase plans, cost estimates, and schedules</td>
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<td></td>
<td>o Attend additional / other project meetings as needed</td>
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<td></td>
<td>o Attend construction kick-off meeting</td>
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<tr>
<td></td>
<td>o Perform monthly or quarterly site compliance visits during construction</td>
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<tr>
<td><strong>High</strong></td>
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<tr>
<td></td>
<td>o Provide oversight through a Project Management Oversight Consultant (PMOC) or GEC</td>
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<tr>
<td></td>
<td>o Attend project kick-off meeting</td>
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<tr>
<td></td>
<td>o Attend weekly or bi-weekly project status meetings</td>
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<tr>
<td></td>
<td>o Review project procurement documents (RFP package, IFB package, bid submittals, etc.)</td>
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<tr>
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<td>o Perform detailed review of design phase plans, cost estimates, and schedules</td>
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<td>o Attend construction kick-off meeting</td>
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<td></td>
<td>o Attend construction kick-off meeting</td>
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<td>o Attend major milestone meetings or activities (i.e. risk register development, punch list development, substantial completion inspection, project closeout, etc.)</td>
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<tr>
<td></td>
<td>o Perform site compliance and construction observation visits weekly or bi-weekly and as needed</td>
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<td>o Attend public meetings</td>
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Should new concerns arise or alternatively should concerns be addressed as a project advances, it is possible that the risk and corresponding level of oversight on a project may change midway through design and/or construction.

It should be anticipated that if DRPT will be reviewing project plan sets, as is an identified activity in the moderate and high oversight level categories, the grantee should incorporate a 30 day review period for stakeholders into the project schedule. DRPT will provide review comments on the plan set in a comment-response matrix form. It will be expected that the designer will respond to review comments in the matrix response column that will then be sent back to DRPT for concurrence. The comment-response matrix is intended to be a working document and may involve an iterative review process. It should be noted that though DRPT expects the grantee will accommodate DRPT oversight activities into the project schedule, DRPT will cover the costs for the review and meeting attendance internally. DRPT’s oversight activities will be paid for by DRPT and not be charged towards the grant funding already applied to a project.

12.0 GRANT CLOSE-OUT

When a project is complete the project must be closed-out by recipients. This can be done in OLGA through either a final reimbursement request or a deobligation request. Click here to access a tutorial detailing final reimbursement requests and deobligation requests in OLGA.

Key Steps

1. Submission of Final Reimbursement Request: The final reimbursement request must be submitted through OLGA within 90 calendar days after the final expenditure or project expiration date, whichever occurs first. The reimbursement request includes a box to be checked to indicate that it is the final reimbursement request.
2. Notification of Expiring and Expired Grants: DRPT’s OLGA system automatically sends email notifications to alert the transit and TDM grant recipient’s OLGA Master User when projects are about to expire, when the project has expired, and at the deadline for submitting a final reimbursement request. Approximately two months before the project end date an OLGA notification is sent to remind recipients of the project end date. Another notification is sent the day after the project expired alerting the recipient that the project has expired and any work performed after the project end date is not subject to reimbursement. A third email notification is sent as a reminder that only one week remains to submit the final reimbursement request. Ninety days after the project end date, a fourth and final notification is sent, stating that the project has been closed and a deobligation request should be submitted, if needed.

3. Project Extension: DRPT’s Program Managers will routinely run reports to review projects nearing their end dates. DRPT Program Managers will communicate with grant recipients on whether an extension is needed or whether the project should be closed. However, it is the grant recipient’s responsibility to request an extension, if necessary, within the timeframe detailed in Section 8.0.

3. Notification of Project Cancellation by Grant Recipient: If the grant recipient is cancelling a project tied to an executed grant, the recipient must deobligate the project in OLGA (see step 4 below). If the grant recipient is cancelling a project for which an agreement has never been executed, an agency’s General Manager or Executive Director must
submit a formal letter to DRPT on agency letterhead stating that the project will not be pursued.

4. **Deobligation**: All projects must be deobligated in OLGA when the project is complete—regardless of whether there is a remaining balance or not. To deobligate, OLGA users must submit a deobligation request in OLGA.

5. **DRPT Project Close Out**: DRPT closes out the project in its accounting system. No further reimbursement requests will be processed after this action.

### 13.0 ASSET MANAGEMENT

#### 13.1 TAM PLAN

On July 26, 2016, FTA published a [Final Rule for Transit Asset Management (TAM) in Federal Register Volume 81, Number 143](https://www.federalregister.gov/documents/2016/07/26/2016-17592/final-rule-for-transit-asset-management-tam). The rule requires that all transit providers receiving funding under 46 U.S.C Chapter 53 and own, operate, or manage capital assets used in the provision of public transportation create a TAM plan. Recipients must develop asset management plans for their public transportation assets, including vehicles, facilities, equipment, and other infrastructure. Requirements under the Final Rule vary based on a number of factors.
Tier I agencies are required to create their own TAM plans. Tier I agencies are defined as public transportation providers that operate rail, or have 101 vehicles or more across all fixed route modes, or have 101 vehicles or more in one non-fixed route mode.

Tier II providers may either participate in a group plan or opt out and develop their own TAM Plan. DRPT sponsors a group plan for all interested recipients classified as a Tier II provider. A Tier II provider is defined as a sub-recipient of Formula Grants for Urbanized Areas (5311) Funds, an American Indian Tribe, a provider with 100 or less vehicles across all fixed route modes, or a provider with 100 or less vehicles in one non-fixed route mode. Tier II providers that participate in DRPT’s group plan are required to regularly update and maintain an asset inventory which must include asset condition assessments. Parts of the plan include: measurable state-wide state of good repair goals, a decision support tool to aid in making asset investment decisions, and a prioritization list to guide asset investment.

Group plan participants work closely with DRPT throughout the TAM Plan creation and update process to ensure that all FTA requirements are met.

DRPT’s first TAM plan was submitted to the FTA in September 2018. The plan has a four year horizon and will be updated by October 2022.

### 13.2 CAPITAL ASSET INVENTORY

DRPT requires all recipients receiving capital assistance, regardless of whether they participate in DRPT’s group TAM plan or create their own TAM plan, to enter their asset inventory information in TransAM, DRPT’s online transportation asset management system. This information is used to verify recipients’ capital assistance applications against the reported asset inventory needs and conditions and for determining asset replacement needs for the future.

All revenue vehicles, non-revenue vehicles, facilities, and infrastructure must be logged in TransAM. Updates to the Asset Inventory, including updated condition assessments, and odometer readings must be entered into TransAM by July 15 and February 1 of each year. Please check the “News and Information” page on OLGA for additional TransAM guidance.
13.3 DISPOSAL OF VEHICLES: HUMAN SERVICE AND RURAL PROVIDERS

Providers must use property for appropriate project purposes for the duration of the useful life of the property. Because DRPT is the recipient of the FTA 5310 and 5311 funds, we are responsible to the federal government for the appropriate usage and disposition of this equipment. For that reason, DRPT maintains the title on all FTA 5310 and 5311 vehicles for the duration of their useful life. DRPT also provides a state share for the FTA 5311 funds.

DRPT will send the title to the recipient upon request after the completion of the vehicles useful life. Disposition of equipment before the end of useful life requires DRPT approval prior to the disposition; DRPT will then notify FTA. If a sub recipient no longer needs the vehicle for the purpose for which it was acquired and requests a title for a vehicle that is not past its useful life, DRPT will seek to have the vehicle transferred to another eligible sub recipient. The original sub recipient will be reimbursed for local interest of the fair market value of the vehicle by the new sub recipient. If DRPT cannot find an eligible sub recipient for the vehicle and DRPT and FTA approve the sale of the vehicle by the original sub recipient, state and federal interest of the proceeds of the vehicle sale must be returned to DRPT.

After the equipment’s useful life is expended, with prior DRPT approval, the recipient may sell its federally assisted property for which there is no longer any public transportation purpose.

If the sale of the equipment is sold for $5,000 or more, the recipient must notify their DRPT Program Manager who will respond whether the federal and/or state proceeds are to be used to reduce the gross project cost of other future FTA eligible capital transit awards or returned to DRPT. The sub recipient is expected to record the receipt of the proceeds in the recipient’s accounting system, showing that the funds are restricted for use in a future capital award, and reduce the liability as the proceeds are applied to one or more FTA capital approved awards.

If the equipment is sold for less than $5,000, the grantee still must inform DRPT. The proceeds are to be indicated in their General Ledger and noted as such. These proceeds are to be used, by the transit agency, for transit purposes.

If new applications are not immediately anticipated, the recipient must inform the appropriate DRPT contact of the disposition within a reasonable amount of time. Otherwise, the subsequent capital application should contain information that the gross project cost has been reduced with proceeds from earlier capital disposition. DRPT will notify FTA as appropriate.

The sub recipient must update the DRPT Asset Management inventory database (TransAM) by recording the disposition, final mileage, sales price, and date. The sub recipient must also register the sale with the DMV. This can be completed online and it protects both the sub recipient and DRPT in case the vehicle purchaser does not complete the registration of the vehicle in their name.
13.4 DISPOSAL OF VEHICLES: GRANTEE USES THEIR OWN FEDERAL FUNDS AND DRPT PROVIDES STATE MATCH

Providers must use property for appropriate project purposes for the duration of the useful life of the property. DRPT provides a state match to providers’ federal funds and therefore has an interest in the property.

Disposition of equipment before the end of useful life requires DRPT approval prior to the disposition; if a provider no longer needs the vehicle for the purpose for which it was acquired, DRPT will seek to have the vehicle transferred to another eligible provider. The original provider will be reimbursed for local and federal interest of the fair market value of the vehicle by the new provider. If DRPT cannot find an eligible provider for the vehicle and DRPT and FTA approve the sale of the vehicle by the original provider, state and federal interest of the proceeds of the vehicle sale must be returned to DRPT and FTA, respectively.

After the equipment’s useful life is expended, with prior DRPT approval, the recipient may sell its federally assisted property for which there is no longer any public transportation purpose.

If the sale of the equipment is sold for $5,000 or more, the recipient must notify DRPT [Grant Program Manager] and DRPT will respond whether the state proceeds are to be used to reduce the gross project cost of other future FTA eligible capital transit awards or returned to DRPT. The sub recipient is expected to record the receipt of the proceeds in the recipient’s accounting system, showing that the funds are restricted for use in a future capital award, and reduce the liability as the proceeds are applied to one or more FTA capital approved awards.

If the equipment is sold for less than $5,000, the grantee still must inform DRPT. The proceeds are to be indicated in their General Ledger and noted as such. These proceeds are to be used, by the transit agency, for transit purposes.

If new applications are not immediately anticipated, the recipient must inform the appropriate DRPT contact of the disposition within a reasonable amount of time. Otherwise, the subsequent capital application should contain information that the gross project cost has been reduced with proceeds from earlier capital disposition. DRPT will notify FTA as appropriate.

The sub recipient must update the DRPT Asset Management inventory database (TransAM) by recording the disposition, final mileage, sales price, and date. The sub recipient must also register the sale with the DMV. This can be completed online and it protects both the sub recipient and DRPT in case the vehicle purchaser does not complete the registration of the vehicle in their name.
14.0 SAFETY PLAN

On July 19, 2018, FTA published the Public Transportation Agency Safety Plan (PTASP) Final Rule in Federal Register Volume 83, Number 139. This rule requires that operators of public transportation systems receiving FTA funds must develop safety plans that include the processes and procedures necessary for implementing Safety Management Systems (SMS). This rule is intended to help transit agencies manage safety risks while prioritizing capital investments that promote safety.

The PTASP requirement applies to all public transportation agencies receiving FTA Section 5307 funds. Agencies operating rail or agencies operating more than 100 vehicles in peak revenue service must create their own plans. Small public transportation providers, those agencies that do not operate rail and have 100 vehicles or less in peak revenue service, may participate in group plan. DRPT sponsors a group plan for all small public transportation providers in Virginia that wish to participate. Small public transportation providers choosing to opt-out of DRPT’s PTASP are required to draft and certify their own plans.

A PTASP must include documentation and analysis of four main topic areas: safety management policy, safety risk management, safety assurance, and safety promotion. The plan must also include safety performance measures.

Group plan participants will work closely with DRPT throughout the PTASP creation and update process to ensure that all FTA requirements are met.

DRPT’s first group PTASP will be completed by July 20, 2020 with regularly scheduled plan updates to follow.

15.0 SUBMISSION OF AUDITED FINANCIAL STATEMENTS

On an annual basis, recipients are required to submit their audited financial statements, more commonly known as a Comprehensive Annual Financial Report (CAFR) to their DRPT Program manager. CAFRs must be submitted to your DRPT Program Manager within six months of the end of the recipient’s Fiscal Year End.

Key Steps

1. Recipient Submission of Audited Financial Statement: Recipients email a copy of their CAFR to their DRPT Program Manager. Audited financial statements must be submitted within 180 days after fiscal year end. If the file is larger than 5MG, please send your DRPT Program Manager a link to an entry on your website or to an FTP site. If an extension is needed, a written request should be made to the DRPT Program Manager.
2. **Review by DRPT:** The DRPT Audit Manager and Program Managers review the recipient’s audited financial statements upon receipt. Any significant issues of concern that are revealed will be shared and discussed with the recipient.

### 16.0 FINANCIAL COMPLIANCE REVIEW

On a periodic basis, DRPT conducts financial compliance reviews of recipients to provide financial technical assistance and to ensure that DRPT program requirements, as documented in Master Agreement and specific Project Agreements, are being met. Recently a review of Performance Data; Passenger Trips, Revenue, Hours, and Revenue Miles, has been added to DRPT Compliance Reviews. This was added because Performance Data measures have become a vital tool in determining Operating Assistance funding. Recipients that have had significant compliance issues in past compliance reviews will be subject to more frequent reviews. Recipients should contact the DRPT Audit Manager with any questions or concerns.

**Key Steps**

1. **Notification of Selection:** A number of recipients are selected for compliance reviews on a quarterly basis. Selected recipients are notified approximately six weeks ahead of time, informed of the documentation to have available for review, and provided the option to contact the DRPT Audit Manager or consulting firm with any questions.

2. **Consultation with Program Manager:** The DRPT Audit Manager consults with each selected agency’s Program manager to determine whether there are any issues that should be considered during the compliance review.

3. **Desk Review:** The DRPT Audit Manager or consulting firm will review all supporting documentation provided by the recipient related to the reimbursement requests selected as part of the sample size of their upcoming compliance review recipient to ensure that the recipient is conducting the grant-funded projects in compliance with the applicable master agreements and project agreements.

4. **On-Site Review:** After the desk review is completed, the DRPT Audit Manager or consulting firm will contact the recipient with any questions they may have. They will also set up the dates for the on-site portion of the compliance review process at this time.

5. **Identification of Issues:** If issues are identified, the DRPT Audit Manager or consulting firm will discuss them with the recipient and offer the opportunity to provide more documentation in hopes of resolving the potential issue.

6. **Documentation of Findings:** Each finding is documented on a standard form, which is called an Audit Issue Fact Sheet, which summarizes the project and the issues to be
addressed. Recipients sign off on the finding, indicating that the finding was discussed with them. Signing this form does not indicate that the recipient agrees with the finding. The documented findings are summarized in a compliance review report.

7. **Review of Report:** A Draft DRPT Compliance Review Report will be created and sent to the recipient for their review. If a corrective action plan (CAP) is required, the recipient will be required to submit the CAP to DRPT. The compliance review report is then updated by the DRPT Audit Manager to include the CAP if needed. The Compliance Review Report is then submitted to DRPT management for review.

8. **Approval and Transmittal of Report:** After the Chief Financial Officer signs off on the final report, the DRPT Audit Manager will send it to the recipient with the CAP included as Appendix B.

### 17.0 CAPITAL BUDGETING

DRPT requires all recipients receiving transit capital assistance to enter their five-year capital budget in OLGA. This information is used to determine capital funding needs for the future Six-Year Improvement Programs. The capital budget is also an important tool in the preparation of the State Transportation Improvement Plan.

The transit capital budget is due by **February 1** of each year. It must be entered in order for your capital application for that year to receive consideration for funding. Further, if DRPT does not receive a correct capital budget, the Recipient’s projects may not be included in the STIP, thus increasing the time required before DRPT can go to contract on any given project.

**Key Steps**

1. **Log In to OLGA:** Recipients log in to OLGA and follow the “Enter Your Capital Budget” link.

2. **Enter Capital Budget:** The Recipient’s current year capital application is year one, and the remaining five years of projections will be entered under the capital budget. For example, during fiscal year 2018, recipients would enter a capital application for fiscal year 2019, and their capital budget information will cover 2020 - 2024.

3. **Update Budget Information:** The next year, the system will pre-populate the capital budget fields with the information the recipients have entered during the previous year. The recipients should update this information as needed, and enter the data for the new sixth year. In the example in 2 above, the recipient would put in an application for fiscal year 2020, update the data already entered during the previous year for 2021 – 2024, and enter data for 2025.