

Tribal Transit Technical Assistance Assessments

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Agenda

- Welcome
- Overview on FTA Tribal Transit Program
- Other FTA Funding Opportunities
- Background on TTP Technical Assistance Assessments
- Hot Topic: Financial Management



Tribal Transit Program Background Overview



Tribal Transit Program

SAFETEA-LU (FY 2006-2012)

Created the Tribal Transit Program

- Administered as a competitive program at approximately \$15 million per year

MAP-21(FY 2013-2014)

Continued and Modified TTP

- Formula Program : \$25 Million per year
- Competitive Program: \$5 Million per year



Tribal Transit Program

Fixing America's Surface Transportation (FAST) Act (FY 2015-2020)

TTP funding increased from \$30M to \$35M per year, a 17 percent increase.

- \$30M is distributed by Formula
- \$5M is awarded competitively

Consolidated Appropriations Act (FY2021) continued the same amount of funding for formula and competitive program.



Formula Apportionment

Eligible Projects

- Any purpose eligible under Section 5311
- Operating, Capital and Planning

Eligible Federal Share

- 100% (no match required for formula funds)

Funding Availability

- Funds are available the year appropriated plus two years (total of three years)
- **FTA 5311 Program Circular**
<https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/final-circulars>



Formula Apportionment

Statutory Formula

- Tier 1: 50 percent based on vehicle revenue miles
- Tier 2: 25 percent based on Indian tribes providing at least 200,000 vehicle revenue miles (VRMs)
- Tier 3: 25 percent based on Indian tribes providing public transportation on tribal lands as identified by the Census where more than 1,000 low-income individuals reside



How is Formula Calculated?

Tier 1: \$15,000,000 (50%) distributed proportionately by Vehicle Revenue Miles (VRMs); does not include “deadhead” or charter miles.

Example:

- In FY 2020 total Tribal VRMs was 20,000,000 miles
- \$15,000,000 divided by 20,000,000 = \$0.75/VRM



How is Formula Calculated?

Tier 2: \$7,500,000 (25%) distributed equally among Tribes that operated at least 200,000 in VRMs

Example:

- In FY 2020, a total of 39 Tribes operated at least 200,000 VRMs - \$7,500,000 divided by 39 = \$192,308 each



How is Formula Calculated?

Tier 3: \$7,500,000 (25%) distributed proportionately among Tribes that operated in areas where more than 1,000 low-income individuals reside, as defined by the US Census

Example:

- In FY 2020, over 50 Tribes (41%) met this criteria. The maximum allowed is \$300,000 per Tribe. Most Tribes received between \$50,000 and \$150,000



How is Formula Calculated?

Total Formula for Transit System with 147,059 VRM

- Tier 1: $147,059 \text{ VRM} \times \$0.75 = \$110,294$
- Tier 2: did not operate at least 200,000 VRMs = \$0
- Tier 3: Maximum low income = \$300,000

Total TTP Formula = \$410,294



TTP Competitive Program

- FTA announced \$10 million for FY 2021 TTP discretionary program on May 26, 2021
- Specific eligibility outlined in the Notice, [FY 2021 Notice of Funding Opportunity](#)
- Proposals were due on *August 25, 2021*
- Review 2020 Awards at:
<https://www.transit.dot.gov/grants/grant-programs/fiscal-year-2020-tribal-transit-project-selections>
- Must be registered and apply on GRANTS.GOV



TTP Competitive Program

New for FY2021:

- Combined funding from the Consolidated Appropriations Act 2021 (5311c) (\$5M) and the American Rescue Plan 2021 (\$5M)
- No local match required
- Eligible projects include planning (\$25k cap), capital, and operating assistance.



TTP Competitive Program

- FTA held a webinar on June 29, 2021, to provide details on FY 2021 funding
- For more information, contact Jacarl Melton, Office of Program Management, 202-366-2269, or tribaltransit@dot.gov



Other FTA Funding Opportunities

- [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#)
- [Rural Areas Formula Program, 49 U.S.C. § 5311](#)
- [Enhanced Mobility of Seniors and Individuals with Disabilities Formula Program, 49 U.S.C. § 5310](#)
- [Bus and Bus Facilities Competitive Program, 49 U.S.C. § 5339\(b\)](#)
- [Bus and Bus Facilities LoNo Program, 49 U.S.C. § 5339\(c\)](#)
- View [the full listing of programs](#) for which tribal entities are eligible recipients. Also <https://www.transit.dot.gov/funding/tribal-entities#anchor2>



Tribal Transit Program Technical Assistance Assessments



TTP Technical Assistance Assessments

- Assessments are designed for FTA to collaborate with Tribal transit leaders
- Identify areas in need of improvement and then assist to put solutions in place to address these needs
- Consider the Technical Assistance visit as a “one on one” workshop



TTP Technical Assistance Assessments

- Site visits were piloted in 2011; fully implemented by 2015
- Over 50 Tribes have been visited to date
- Approximately 15-20 Tribes receive TA Assessments each year
- Tribes are identified by FTA Regional Tribal Liaisons for on-site visits



Areas Covered During TTP Assessments

- Legal, Technical Capacity and Award Management
- Financial Management
- Satisfactory Continuing Control and Maintenance
- Procurement and Buy America
- Charter Bus
- Americans with Disabilities Act (ADA)
- Drug and Alcohol Programs



TTP Technical Assistance Assessments

Additional Technical Assistance available through:

- FTA Regional Tribal Liaisons
- National Rural Technical Assistance Program
- State DOTs



Hot Topic: Financial Management



U.S. Department
of Transportation

Federal Transit
Administration

Financial Management

Purpose: Ensure Tribes can manage FTA award funds, cover operating deficits, and conduct annual Single Audits

Who: Transit Manager, Finance Support Staff, (including ECHO processing staff), Internal Audit Staff (if applicable)



Financial Management

Questions to be Discussed

Q1. Does the recipient's financial management system allow it to prepare reports and trace funds adequately to establish compliance with award terms and conditions?



Financial Management System

- Accounting policies and procedures – written
- Internal controls – separation of duties, review and approvals, reconciliation, safeguard assets
- Trace FTA funding by Activity Line Items (ALI)
- ECHO approvals segregated from ECHO draw
- Budgeting – preparation and monitoring
- Reporting - internal and external requirements



Financial Management

Questions to be Discussed

Q2. Does the recipient correctly draw down and track the use of Federal funds for eligible expenses and disburse advance payment funds within three business days?



Eligible Operating Expenses

- Driver and mechanic wages and fringes
- Transit manager wages and fringe
- Administrative wages and fringe
- Maintenance services (e.g., Quick Lube, dealer)
- Marketing and printing
- Office and cleaning supplies
- Rent or lease fees



Other Eligible Expenses

- Planning services (e.g., consultants)
- Transit vehicles
- Supervisory vehicles
- Vehicle parts and accessories
- Radios/dispatch systems
- Vehicle maintenance/storage facilities
- Contract for transit services
- Indirect costs – using your current approved rate



ECHO Supporting Documentation

- Invoices
- Payroll records
- Contracts
- Vouchers and Purchase Orders
- Approval signatures
- Local match calculations
- Financial/expenditure reports (G/L)
- Proof of payment



How do you receive your funds?

- (1) Direct Recipient – use ECHO system, maintain documentation; monthly or as needed, disburse within 3 business days, or reimbursement basis
- (2) Subrecipient to State - submit invoices, with supporting documentation; generally monthly



How do you calculate *Eligible Operating Costs*?

	<u>Apr-19</u>
<u>REVENUES</u>	ACTUAL
Fares and passes	1,000
Advertising	2,500
Charter	1,200
<u>Other local funds:</u>	
Tribe local match (10%)	5,000
County transit	2,000
Total TTP REVENUES	\$ 11,700

***Question:** What amount of TTP funding can you draw from ECHO for the month of April 2019?*

	<u>Apr-19</u>
<u>OPERATING EXPENSES</u>	ACTUAL
Labor	\$ 12,500
Materials	1,450
Fuel	2,500
Maintenace	8,000
Contract services	2,200
General adminisitation	1,350
Indirect cost (12%)	3,390
Other	250
Total OPERATING EXPENSES	\$ 31,640
Less:	\$ -
Total ELIGIBLE Operating Costs:	\$ -



Calculating *Eligible Operating Costs* for TTP

	<u>Apr-19</u>
<u>REVENUES</u>	ACTUAL
Fares and passes	1,000
Advertising	2,500
Charter	1,200
<u>Other local funds:</u>	
Tribe local match (10%)	5,000
County transit	2,000
Total TTP REVENUES	\$ 11,700

***Answer:** You may ECHO \$30,640 from your TTP funds for the month of April 2019 = Total Operating costs less Farebox revenue*

	<u>Apr-19</u>
<u>OPERATING EXPENSES</u>	ACTUAL
Labor	\$ 12,500
Materials	1,450
Fuel	2,500
Maintenace	8,000
Contract services	2,200
General adminsitration	1,350
Indirect cost (12%)	3,390
Other	250
Total OPERATING EXPENSES	\$ 31,640
Less:	\$ (1,000)
Total ELIGIBLE Operating Costs:	\$ 30,640



Treatment of Various Revenues

Farebox revenue: Must be used to reduce total eligible project costs

Income from contracts to provide human services transportation:

May be used as local match in same award or to reduce net project costs

Advertising/concession/rental income: May be used as local match in future award or to reduce net project costs

Charter service revenue: May be used to reduce net project costs, *not* as local match.

Program income: generally, not used as local match, but may used to reduce net project costs in future awards



Examples of Program Income*

Per FTA Circular 5010.1E:

- (1) Fees for services performed;
- (2) The use or rental of real or personal property acquired under its Award;
- (3) The sale of commodities or items fabricated under its Award;
- (4) License fees and royalties on patents and copyrights;
- (5) Advertising/concessions; or
- (6) Payments of principal and interest on loans made with federal assistance.

** May be used as non-Federal share for future awards (except human service contracts) or reduce total project costs*



Financial Management

Questions to be Discussed

Q3. Has the recipient complied with requirements for charging indirect costs to Federal Transit Administration (FTA) awards?



Indirect Costs for TTP Awards

- ❑ Formula TTP grants – follow FTA Cir 5010.1E. Use your Federally approved rate.
<https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/award-management-requirements-circular-50101e>
- ❑ FY2021 Competitive TTP grants – the indirect cost rate may not exceed 10%.



Applying Indirect Costs Rate (IDCR)

- Apply approved IDCR to **Modified Total Direct Costs (MTDC)**
- MTDC – means all direct salaries/wages, applicable fringe, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward/subcontract



MTDC Exclusions:

- Equipment (>\$5,000-unit cost)
- Capital expenditures
- Charges for patient care
- Rental costs
- Tuition reimbursement
- Scholarships and fellowships
- Participant support costs
- Subaward/subcontract in excess of \$25,000



Calculating Indirect Cost (IDC)

Operating Expenses

12% IDC

Labor	\$ 75,000	\$ 9,000
Materials and Supplies	1,500	180
Fuel	3,000	360
Maintenance	11,000	1,320
Contracted services (ABC, Inc.)*	35,000	3,000
Equipment (>\$5,000)**	10,000	-
Othr direct costs	15,000	1,800
Total (direct) Operating Expenses	\$ 150,500	\$ 15,660
Indirect costs (12%)	\$ 15,660	
Total Operating Costs:	\$ 166,160	

*Applied 12% rate on first \$25,000

** Equipment is excluded from MTDC



Financial Management

Questions to be Discussed

Q4. Has the recipient conducted the required Single Audit, submitted the required documentation to the Federal Audit Clearinghouse (FAC) and FTA, and resolved any identified issues?



Single Audit Requirements

- Recipients of Federal funds that expend more than \$750K in a fiscal year, must have a Single Audit
- Review Single Audits for findings related to the transit program <http://harvester.census.gov/sac>
- If FTA-related findings, must maintain documentation for corrective actions/status



Financial Management

Questions to be Discussed

Q5. Does the recipient have financial resources to provide local share for active awards and to adequately maintain and operate FTA-funded assets?



Local Match Requirements

- TTP Formula – NO local match
- TTP Discretionary – 10% local match, unless hardship. *FY2021 – NO local match*
- TTP Discretionary Planning – NO local match
- 5311 Rural, Operating – 50% local match
- 5311 Rural, Capital – 20% local match



Examples of Local Match

Per FTA Circular 5010.1E:

- (a) Local Tribal government funds,
- (b) Local in-kind property or services,
- (c) State funds,
- (d) State in-kind property or services, and
- (e) Other Federal funds (i.e. FHWA, CDBG) that are eligible, under federal law, for use as cost-sharing or matching funds for FTA awards.



Sample 5-year Financial Plan

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	TOTAL
<u>REVENUES</u>	ACTUAL	----- BUDGET -----				
FTA - TTP Funds (5311(c))	\$ 230,000	\$ 230,000	\$ 230,000	\$230,000	\$ 230,000	\$ 1,150,000
FTA - TTP Discretionary Funds		\$ 100,000			\$ 100,000	\$ 200,000
State (5311 Funds)	30,000	30,000	30,000	35,000	35,000	\$ 160,000
FHWA/BIA - <i>Flexible funds</i>	25,000	25,000	25,000	25,000	25,000	\$ 125,000
Tribal funds		15,000	15,000	15,000	15,000	\$ 60,000
Fares and passes	1,000	1,000	1,000	1,000	1,000	\$ 5,000
Advertising	6,100	6,100	6,100	6,100	6,100	\$ 30,500
Charter	5,000	5,000	5,000	5,000	5,000	\$ 25,000
<u>Other local funds:</u>						
Tribe local match	15,000	25,000	15,000	15,000	25,000	\$ 95,000
County transit	5,000	5,000	5,000	5,000	5,000	\$ 25,000
Total TTP REVENUES	\$ 317,100	\$ 442,100	\$ 332,100	\$337,100	\$ 447,100	\$ 1,875,500



Sample 5-year Financial Plan

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>TOTAL</u>
<u>OPERATING EXPENSES</u>	ACTUAL	----- BUDGET -----				
Labor	\$ 170,230	\$ 172,174	\$ 180,289	\$182,085	\$ 213,785	\$ 918,563
Materials	15,493	15,958	16,244	16,732	17,234	\$ 81,661
Fuel	29,707	30,448	30,905	31,682	32,483	\$ 155,226
Maintenace	31,970	32,629	33,036	33,727	34,438	\$ 165,800
Contract services	6,100	6,283	6,396	6,588	6,785	\$ 32,152
General adminsitration	28,600	29,458	29,987	30,887	31,813	\$ 150,745
Indirect cost (12%)	30,000	30,000	30,000	30,000	30,000	\$ 150,000
Other	5,000	5,150	5,243	5,400	5,562	26,354
Total OPERATING EXPENSES	\$ 317,100	\$ 322,100	\$ 332,100	\$337,100	\$ 372,100	\$ 1,680,500
CAPITAL EXPENSES -						
Replace/Expand Vehicles	\$ -	\$ 120,000	\$ -	\$ -	\$ 75,000	\$ 195,000
TOTAL PROJECTED OUTLAYS	\$ 317,100	\$ 442,100	\$ 332,100	\$337,100	\$ 447,100	\$ 1,875,500



Financial Management

Documents to Have Available:

- Written policies and procedures for financial management, evidencing a well-defined internal control environment
- Operating and capital budgets and reporting (by ALI)
- Indirect cost rate approval letter from DOI
- ECHO supporting documentation
- 3–5-year Financial Plan
- Single Audit corrective action support for any FTA-related audit findings





[TRANSIT.DOT.GOV](https://www.transit.dot.gov)



FEDERAL TRANSIT ADMINISTRATION