

NEW RECIPIENT WEBINAR

Module 2

**Legal, Financial Management and
Capacity, and Technical Capacity**



Agenda

- Introductions
- Navigating this platform
- Review areas discussion
 - Basic requirements
 - Applicability
 - Documents needed
 - Common issues



Areas of Compliance in Today's Webinar

- 1. Legal**
- 2. Financial Management and Capacity**
- 3. Technical Capacity – Award Management**
- 4. Technical Capacity – Program Management and Subrecipient Oversight**
- 5. Technical Capacity – Project Management**
- 6. Transit Asset Management*
- 7. Satisfactory Continuing Control*
- 8. Maintenance*
- 9. Procurement*
- 10. Disadvantaged Business Enterprise*
- 11. Title VI*
- 12. Americans With Disabilities Act (ADA) - General*
- 13. Americans With Disabilities Act (ADA) – Complementary Paratransit*
- 14. Equal Employment Opportunity*
- 15. School Bus*
- 16. Charter Bus*
- 17. Drug-Free Workplace*
- 18. Drug and Alcohol Program*
- 19. Section 5307 Program Requirements*
- 20. Section 5310 Program Requirements*
- 21. Section 5311 Program Requirements*
- 22. Public Transportation Agency Safety Plan (PTASP)*
- 23. Cybersecurity*



Legal: Basic Requirement

The recipient must promptly notify the FTA of legal matters and additionally notify the U.S. Department of Transportation (US DOT) Office of Inspector General (OIG) of any instances relating to false claims under the False Claims Act or fraud. Recipients must comply with restrictions on lobbying requirements.

Federal funds may not be used for lobbying

Applicability

All Recipients



Legal: Documents Needed

- Evidence that FTA has been notified of any legal issues where the federal government was a named party
- Evidence that both FTA and the US DOT OIG has been notified of any false claims received or criminal violation committed related to federal assistance
- Copies of any required lobbying disclosure forms (OMB Standard Form LLL)



Legal: Common Issues

- Failure to promptly notify FTA of any relevant legal matters
- Failure to submit lobbying disclosure form and/or quarterly updates when local funds are used for lobbying



Legal: Resources

- OMB Standard Form LLL

Legal: Quiz

True or False: Federal funds may be used for lobbying if the recipient submits OMB Standard Form LLL disclosure to FTA.

Citation: 49 CFR 20.100, 20.110 – New Restrictions on Lobbying



Legal: Quiz Answer

False: Recipients may never use federal funds to lobby; however, they may use local funds to lobby if they submit OMB Standard Form LLL to FTA (in TrAMS).

Citation: 49 CFR 20.100, 20.110 – New Restrictions on Lobbying



Financial Management and Capacity: Basic Requirement

The recipient must have financial policies and procedures; an organizational structure that defines, assigns, and delegates fiduciary authority; and financial management systems in place to manage, match, and charge only allowable costs to the award. The recipient must conduct required Single Audits as required by the Uniform Guidance (2 CFR part 200) and provide financial oversight of subrecipients.



Financial Management and Capacity: Applicability

ALL RECIPIENTS

Additional requirements for recipients that:

- Expend \$750,000 or more in federal assistance awards in their fiscal year
- Provide service using FTA operating assistance
- Have subrecipients



Financial Management and Capacity: Documents Needed

- ECHO draw supporting documentation
- Financial statements or Annual Comprehensive Financial Report
- Financial management policies and procedures that include determining the allowability of costs and timely distribution of funds
- Organizational chart for organization as a whole and the financial office(s)
- Operating and capital budget variation reports
- Approval notification of the Cost Allocation Plan (CAP) or Indirect Cost Rate Proposal (ICRP)



Financial Management and Capacity: Common Issues

- ECHO documentation deficient
- Ineligible operating expense calculation
- Funds not disbursed timely
- Missing, insufficient, or out-of-date financial operating procedures
- Failure to adequately track FTA awards

Financial Management and Capacity: Resources

- Calculating, Documenting, and Charging Operating Expenses Webinar (FTA website)
- Operating Expense Calculation Worksheet
- Sample ECHO draw documentation
- National RTAP – Cost Allocation Calculator
- Federal Audit Clearing House
- Coronavirus Aid, Relief, and Economic Security (CARES) Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA); and American Rescue Plan Act (ARP) Frequently Asked Questions



Financial Management and Capacity: Quiz

Which of the following statements are correct:

- A. Payments received from FTA must be disbursed within three business days.*
- B. The recipient's ECHO approving official must sign and date the ECHO draw documentation before the draw is completed.*
- C. ECHO transaction supporting source documents may include cancelled checks, paid bills, payrolls, time and attendance records, contracts, and subaward documents to support the underlying transaction(s) selected.*

Citations: Uniform Guidance at 2 CFR Part 200-203
FTA Circular 5010.1E, Chapter VI (2) – Award Management Requirements

Financial Management and Capacity: Quiz Answer

A, B, and C are correct

- A. Payments received from FTA must be disbursed within three business days.*
- B. The recipient's ECHO approving official must sign and date the ECHO draw documentation before the draw is completed.*
- C. ECHO transaction supporting source documents may include cancelled checks, paid bills, payrolls, time and attendance records, contracts, and subaward documents to support the underlying transaction(s) selected.*

Citations: Uniform Guidance at 2 CFR Part 200-203
FTA Circular 5010.1E, Chapter VI (2) – Award Management Requirements

Technical Capacity – Award Management: Basic Requirement

The recipient must report progress of projects in awards to the Federal Transit Administration (FTA) and close awards timely.

Applicability

All Recipients

Program of Project Status Reports pertain just to *designated* 5310 and 5311 recipients with subrecipients

Technical Capacity – Award Management: Documents Needed

- Procedures for award management (if written)
 - Completing Federal Financial Reports (FFRs)
 - Completing Milestone Progress Reports (MPRs)
 - Award closeout

Technical Capacity – Award Management: Common Issues

- Incomplete or inaccurate FFRs
- Incomplete or inaccurate MPRs
- Inactive awards

Technical Capacity – Award Management: Resources

- Federal Financial Report Guidance
- MPR checklist from FTA Circular 5010.1E, Chapter III, Section 3, Reporting Requirements
- Period of Availability of Funds table



Technical Capacity – Award Management: Quiz

True or False: Recipients have 90 days to close out FTA awards once all project activities have been completed.

Citation: Uniform Guidance at 2 CFR 200.344

Technical Capacity – Award Management: Quiz Answer

False: Recipients have **120 days** to close out FTA awards once all project activities have been completed (if the award was executed on or after November 13, 2020). However, subrecipients have **90 days** to close out FTA awards.

Citation: Uniform Guidance at 2 CFR 200.344

Technical Capacity – Program Management and Subrecipient Oversight:

Basic Requirement

Designated recipients of Sections 5310, 5311, and 5339 funds must develop and submit a Program Management Plan to the FTA for approval. (States submit a State Management Plan.) Recipients must enter into an agreement with each subrecipient, obtain required certifications from subrecipients, report in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) on subawards, and ensure subrecipients comply with the terms of the award.



Technical Capacity – Program Management and Subrecipient Oversight: Applicability

Varies with the type of recipient and programs administered:

- Programs administered including 5310, 5311, or 5339
- Recipients with subrecipients



Technical Capacity – Program Management and Subrecipient Oversight: Documents Needed

- FSRS Reporting Procedures
- Program Management Plan
- Documentation of subrecipient oversight

Technical Capacity – Program Management and Subrecipient Oversight: Common Issues

- Federal Funding Accountability and Transparency Act (FFATA) reporting deficiencies
- Program Management Plan missing or out of date
- Subrecipient oversight lacking



Technical Capacity – Program Management and Subrecipient Oversight: Resources

- FFATA Reporting System and Instructions
- Program Management Plan Checklist



Technical Capacity – Program Management and Subrecipient Oversight: Quiz

True or False: My agency executed a 12-month subaward of \$20,000 to subrecipient ABC Transit on January 3rd. My agency did not report the award to FSRS. On April 1st of the same year, the agency amended the award adding an additional \$20,000 to the ABC Transit subaward. My agency does not need to report either award to FSRS.



Technical Capacity – Program Management and Subrecipient Oversight: Quiz Answer

False: 2 CFR 170 requires an entity to report each action that equals or exceeds \$30,000 in Federal funds for a subaward by the end of the month following the month they make any subaward or obligation. The reporting requirement is triggered when the total of the subaward equals or exceeds the \$30,000 threshold.

NOTE: Once the entity submits an initial report, it can revise it later to add additional subawards as they are made, or to change data previously submitted to reflect adjustments in subawards.

Citations: 2 CFR 170 Appendix A to Part 170 – Award Term
FTA Circular 5010.1E, Chapter III, Section 3.f – Award Management Requirements

Technical Capacity – Project Management: Basic Requirement

The recipient must be able to implement Federal Transit Administration (FTA)-funded projects in accordance with the award application, FTA Master Agreement, and applicable laws and regulations using sound management practices. Recipients must ensure that projects undertaken by transit management/service contractors and subrecipients adhere to federal requirements

Applicability

All Recipients



Technical Capacity – Project Management: Documents Needed

- Project management plans and quality assurance plans for major capital projects
- Procedures for administering and monitoring construction projects, bus procurements, and other capital projects, if written
- Project management documentation

Technical Capacity – Project Management: Documents Needed (continued)

- Standard transit management or service operator contract and/or lease agreement
- Oversight procedures including sample oversight checklists/monitoring materials for transit management/service contractors and subrecipients
- Force account plan(s)

Technical Capacity – Project Management: Common Issues

- Inadequate oversight of transit management contractor(s)/lessee(s)

Technical Capacity – Project Management: Resources

- Peers' oversight contractor and/or subrecipient tools and processes
- National Cooperative Highway Research Program (NCHRP) Research Results Digest 341: Compliance Monitoring Tools
- Construction Project Management Handbook
- Project and Construction Management Guidelines
- Quality Management System Guidelines

Technical Capacity – Project Management: Quiz

True or False: FTA requires a formal written project management plan for all federally funded capital projects.

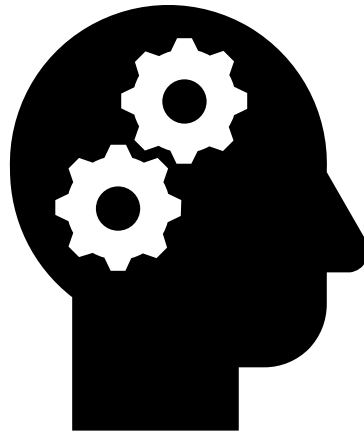
Citation: FTA Circular 5010.1E, Chapter II, Section 3 – Award Management Requirements

Technical Capacity – Project Management: Quiz Answer

False: Recipients are required to develop a formal, written project management plan for major capital projects. Major capital projects are defined as a project that involves the construction, extension, rehabilitation, or modernization of a fixed guideway; a New Starts project with a total project cost in excess of \$300 million; or a project that has been determined to be a major capital project by the Administrator.

Citation: FTA Circular 5010.1E, Chapter II, Section 3 – Award Management Requirements

Questions and Answers



Wrap Up and Thank You

- Use the link in Chat to access the FTA website where important information has been shared
- Watch for emails from FTA regarding future webinars for new FTA recipients
- Please stay online and complete the evaluation poll