

FTA

FEDERAL TRANSIT ADMINISTRATION

Compliance Requirements and Technical Assistance for FTA Research Recipients



U.S. Department of Transportation
Federal Transit Administration

Background

- Objectives
 - Ensure that all recipients understand compliance requirements for FTA research awards: grants and cooperative agreements
 - Implement standard operating procedure (SOP) for oversight that is specific to research recipients

Compliance Requirements

1. Legal and Lobbying
2. Award Management
3. Financial Management
4. Equipment
5. Intangible Property
6. Procurement and Buy America
7. Subaward and Subcontractor Oversight
8. Civil Rights

Legal and Lobbying

What: Assure that FTA research recipients have the legal authority to receive and administer FTA research funds.

Assure that Federal funds are not used for lobbying. If lobbying services are procured with non-federal funds, assure that lobbying disclosures are filed.

Legal and Lobbying (2)

- Certifications and Assurances
 - PIN in TrAMS for new or amended grants
 - PINned by authorized representative
 - Current authorizing resolution
 - Opinion of Counsel
 - Delegation of signature authority

<https://www.transit.dot.gov/funding/grantee-resources/teamtrams/delegation-authority-pin-user-roles>

Legal and Lobbying (3)

- Certification must be filed by any subrecipient, contractor, and subcontractor in receipt of an agreement or contract exceeding \$100,000

<https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/procurement/8286/fta-best-practices-procurement-and-lessons-learned-manual-2016.pdf> p.A 47

Legal and Lobbying (4)

- Recipients and subrecipients must disclose if they have retained lobbyist for the purposes of attempting to influence a covered action.

<https://www.gsa.gov/portal/forms/download/116430>

Award Administration

What: FTA must confirm that FTA research recipients have the technical capacity to receive and administer Research funds in accordance with the grant or agreement.

- Recipients must track and report on projects and close out projects and agreements when project activity is completed.
- Recipients must also report information for each first tier subaward over \$25,000 in Federal Subaward Reporting System

https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Cir_6100.IE.docx_4.08.2015_%282%29_0.pdf – Chapter IV

Award Administration (2)

Federal Financial Reports (FFRs)

- Must be filed timely in TrAMS:
 - Reports are due within 30 days of the end of each quarter
 - FFRs reflect current, complete, and accurate financial project information and prepared on the accrual basis
 - Report expenditures and obligations relating to the scope and purpose of each financial report and applicable reporting period
 - Financial reports based on required supporting documentation
 - Unliquidated Obligations reported correctly

Award Administration (3)

Milestone Progress Reports (MPRs):

- MPRs and/or quarterly narrative reports must be filed timely in TrAMS
- Reports are due within 30 days of the end of each quarter
- MPRs completed in TrAMS must include:
 - Project milestone dates updated, as needed
 - Project budget revisions, as needed
 - Project status clearly communicated

Award Administration (4)

TrAMS Webinar on MPRs and FFRs

<https://www.transit.dot.gov/funding/grantee-resources/teamtrams/milestone-and-financial-reports>

Award Administration (5)

- **Quarterly narrative reports should be filed timely in TrAMS and include:**
 - Significant results and major work tasks started, completed, or documented
 - The percent of budget expended by task, if appropriate
 - Accomplishments related to expenditures for the same period
 - An activity schedule
 - Expenditures by Activity Line Items (ALI)
 - Significant events
 - Reasons why project objectives are not being met
 - Projected activities for the next period

Award Administration (6)

Prior FTA Approvals must be obtained for:

- Scope or Objective Change
 - Key Personnel Change
 - Additional Federal Assistance
 - Transfer of Training Allowances
 - Transfer of Work
 - Pre-award Costs
 - Time Extensions
 - Transfers of Financial Assistance
 - Reduction of Effort
 - Transfers between Indirect Costs and Direct Costs
 - Federal Cost Principles
- Post-award agreement modifications must be properly documented (i.e., Budget Revision, Administrative Amendment, or Amendment to the Agreement).

Award Administration (7)

FFATA Reporting:

- All direct recipients of FTA agreements over \$25,000 are subject to Federal Funding Accountability and Transparency Act of 2006 (FFATA) Reporting
- Subaward information must be reported to Federal Subaward Reporting System (www.FSRS.gov) by the end of the month after the month in which they make any subaward under the agreement

Award Administration (8)

Grant Closeout:

Within 90 days of completion, recipients should submit:

- Final budget reflecting actual costs by scope and activity
- A final FFR
- A final narrative MPR indicating the actual completion dates
- An inventory list of any Federally-owned equipment used in the project and an inventory of equipment acquired with project funds
- A request to deobligate any unexpended balance of funds
- Final technical report and other deliverables, including Data
- Any other reports required

Financial Management

What: FTA must confirm that FTA research recipients are able to use and manage FTA research funds. Financial management is one of the most important responsibilities in the management of FTA research projects.

References:

- https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Cir_6100.IE.docx_4.08.2015_%282%29_0.pdf – Chapter V.
- <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf>

Financial Management (2)

- Maintaining a financial management system with proper internal controls
- Documenting local share
- Assuring that only allowable costs are charged to grants
- Charging indirect costs in accordance with Federal agreement
- Preparing Invoices
- Conducting annual single audits and responding to findings in a timely manner
- Records retention

Financial Management (3)

Procedures:

- Financial management procedures should have been updated to reflect the guidance contained in 2 CFR Part 200
- Written procedures must reflect actual practices
- Financial practices should require segregation of duties, e.g, using different staff to request reimbursements than the staff that receives and records receipts

Financial Management (4)

- All direct costs should be adequately supported with proper documentation, such as time sheets and paid invoices
- Project costs must specifically relate to the purpose of the agreement and the latest approved project budget
- An approved indirect cost rate (IDCR) may be applied in accordance with the approved cost rate proposal, if applicable
- Recipients and their subrecipients are allowed to charge a de minimis IDCR of 10% of modified total direct cost

Financial Management (5)

Apply approved IDCR to Modified Total Direct Costs (MTDC)

- MTDC – means all direct salaries/wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward/subcontract.

Financial Management (6)

MTDC Exclusions:

- Equipment
- Capital expenditures
- Charges for patient care
- Rental costs
- Tuition remission
- Scholarships and fellowships
- Participant support costs
- Subaward/subcontract in excess of \$25,000

Financial Management (7)

Example of an Indirect Cost Calculation

<u>Program A</u>	<u>Budget</u>
• Salaries & Wages	\$100,000
• Fringe Benefits	\$ 50,000
• Travel	\$ 10,000
• Materials/Supplies	\$ 20,000
• Subcontract (I)	\$100,000
• Equipment	<u>\$ 10,000</u>
TOTAL DIRECT COST =	\$290,000

Financial Management (8)

Example (cont.)

TOTAL DIRECT COST =	\$290,000
• Less Subcontract over \$25,000	(\$75,000)
• Less Equipment	(\$10,000)
Modified Total Direct Costs (MTDC)	\$205,000
10% Indirect Costs Recovery	\$20,500
Total Direct Costs	\$290,000
Indirect Costs	+\$20,500
Combined Approved Budget	=\$310,000

Financial Management (9)

Preparing Invoices:

- Payments made on a progress or milestone completion basis via electronic bank transfer
- Support for reimbursement requests includes:
 - Invoices
 - Proof of payment to suppliers or subcontractors
 - Timesheets
 - Approval signatures
 - Local match calculations, if applicable

Financial Management (10)

Single Audits:

- Single Audits must be conducted by an independent auditor and per Federal requirements for agencies expending \$750,000 or more in a year in Federal funds from all sources
- Audit reports and/or forms must be uploaded to the Federal Audit Clearinghouse within nine months from the end of your fiscal year
- Notify FTA and document steps taken to resolve any open Single Audit findings related to FTA programs
- Findings reported in other audits/reviews of FTA program activities (e.g., Triennial Review), must be corrected timely

Financial Management (11)

Records Retention:

<https://www.youtube.com/watch?v=Icj8ik8QIb0&list=PL892EB0456F64169F&index=8>

All pertinent records **must be retained for 3 years** from submission of the final expenditure report.

Exceptions:

- Litigation/Audit – until fully resolved/final actions
- Federal agency request to extend
- Three years after final disposition of real property/equipment
- End of fiscal for program income earned
- IDCR proposal – date of submission, or Fiscal Year end

Equipment

What: FTA must confirm that research recipients are using facilities, rolling stock, or equipment in the project or program for which it was acquired as needed, and that the equipment is maintained in good working order.

References:

- https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Cir_6100.IE.docx_4.08.2015_%282%29_0.pdf – Chapter IV-7.
- <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf> - 200.313

Equipment (2)

- FTA-funded equipment and facilities must be maintained in good working order.
 - Involves periodic repairs and preventive maintenance
- *Recipients must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the recipient.*

Equipment (3)

- A physical inventory of equipment should be taken and the results reconciled at least once every two years
- Equipment records should include:
 - A description of the equipment
 - The manufacturer's serial number, model number
 - Whether title vests in the recipient or the Federal Government
 - Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost
 - The location and condition of the equipment
 - Disposition data, including date of disposal and sales price

Equipment (4)

- Review the terms and conditions of your FTA agreement and consult with FTA to obtain disposition instructions for all FTA-funded equipment before final disposition.
- In general:
 - Items with a current per unit market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to FTA.
 - For equipment with a current per unit value of \$5,000 or more or unused supplies exceeding \$5,000 in total aggregate value, you may retain the equipment for other uses if compensation is made to FTA.

Intangible Property

What:

FTA must confirm that research recipients are following certain standards that apply to intangible or intellectual property resulting from Federal assistance.

References:

- https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Cir_6100.IE.docx_4.08.2015_%282%29_0.pdf – Chapter IV-8.
- <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf> - 200.315

Intangible Property (2)

- Recipients may copyright any work that is subject to copyright and was developed or for which ownership was purchased with Federal assistance
 - Note that FTA reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so
- Intangible property is disposed of using procedures similar to those for equipment, if applicable

Procurement and Buy America

What: FTA must confirm that FTA research recipients are following FTA procurement procedures and that every effort is made to allow for full and open competition, unless stipulated otherwise.

References:

- https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Cir_6100.IE.docx_4.08.2015_%282%29_0.pdf – Chap IV-10.
- <https://www.transit.dot.gov/funding/procurement/procurement>

Procurement and Buy America (2)

RE: Other than Full and Open Competition

FTA C. 4220 I.F, Chapter VI, 3i.e.

I. - Team, Consortium, Joint Venture, Partnership.

When FTA awards a grant agreement or enters into a cooperative agreement with a team, consortium, joint venture, or partnership, or provides FTA assistance for a research project in which FTA has approved the participation of a particular firm or combination of firms in the project work, the grant agreement or cooperative agreement constitutes approval of those arrangements. In such cases, FTA expects the recipient to use competition, as feasible, to select other participants in the project.

Procurement and Buy America ⁽³⁾

- Written procurement procedures must reflect all FTA requirements contained in FTA C. 4220.1F (2 CFR 200 update)
- Written procedures must address:
 - Employee standards of conduct
 - Conflicts of interest
 - Protest procedures
- Written procurement procedures should reflect actual practice

Procurement and Buy America (4)

- Written procedures must address full and open competition for all transactions under the following methods of procurement:
 - Micro-Purchases - \$3,500 or less
 - Small Purchases – More than \$3,500 but not more than \$150,000
 - Sealed Bids (if applicable)
 - Requests for Proposals
 - Revenue Contracts

Procurement and Buy America (5)

- For each contract expected to equal or exceed \$25,000, recipients must verify that the bidder is not excluded or disqualified from participation in Federally-assisted procurements by:
 - Checking exclusions at www.sam.gov; or
 - Collecting a certification; or
 - Adding a clause or condition to the covered transaction.
- Recipients should document their method of verifying that the bidder is not excluded or disqualified.

Procurement and Buy America ⁽⁶⁾

- Special requirements for research projects

See FTA C. 4220.1.F., Chapter IV 2. j. (pdf page 65)

- Solicitation documents and related FTA-funded contracts must contain required FTA clauses

See Appendix D of FTA C. 4220 1.F. (pdf page 143-145)

<https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/third-party-contracting-guidance>

Procurement and Buy America (7)

- All procurements of steel, iron, and manufactured products over \$100,000 for purchases funded by agreements issued prior to December 26, 2014, and over \$150,000 for purchases funded by agreements issued on or after December 26, 2014 must include Buy America certifications
- Rolling stock procurement files contain Buy America, Purchaser's requirements, Federal Motor Vehicle Safety Standards (FMVSS), and Transit Vehicle Manufacturer (TVM) certifications

<https://www.transit.dot.gov/regulations-and-guidance/buy-america/buy-america-regulations>

Subrecipient and Subcontractor Oversight

What: FTA must confirm that FTA research recipients are complying with the requirements for pass-through entities contained in 2 CFR 200 and that FTA required clauses are included.

References:

- https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Cir_6100.IE.docx_4.08.2015_%282%29_0.pdf – Chapter II-2 a.7.
- <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf> - 200.330

Subrecipient and Subcontractor Oversight (2)

- **Subawards must include:**
 - Subrecipient name, FAIN, Federal award date, period of performance, amount of Federal funds obligated, FFATA requirements, CFDA number and name, indirect cost rate, terms and conditions, lobbying certification, etc.

Subrecipient and Subcontractor Oversight ⁽³⁾

- **Subcontracts must include:**
 - Remedies for breach, termination for cause, nondiscrimination, rights to invention, debarment and suspension, lobbying certification, terms and conditions, etc.

Subrecipient and Subcontractor Oversight (4)

Recipients (pass-through entities) must:

- Include required data elements in the subaward
- Evaluate each subrecipient's risk of noncompliance with Federal requirements, and terms and conditions
- Monitor subrecipient activities

Subrecipient and Subcontractor Oversight (5)

Subrecipient monitoring efforts must include:

- Reviewing financial and programmatic reports
- Following-up on corrective actions by subrecipients to address all subaward related deficiencies
- Issuing management decisions for audit findings

Subrecipient and Subcontractor Oversight ⁽⁶⁾

Subcontractor monitoring must include:

- Ensure subcontracts contain appropriate terms and conditions, and applicable Federal/FTA clauses
- Ensure subcontractor performing in accordance with terms and conditions

Civil Rights

- **What:** FTA must confirm that FTA research recipients are complying with all applicable civil rights laws and implementing regulations. This area includes:
 1. Equal Employment Opportunity
 2. Title VI
 3. Americans with Disabilities Act (ADA)
 4. Disadvantaged Business Enterprise (DBE)

References:

- https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Cir_6100.IE.docx_4.08.2015_%282%29_0.pdf – Chapter II-3

Civil Rights (2)

Equal Employment Opportunity (EEO)

- The Federal Transit Laws, 49 U.S.C. 5332(b), provide that "no person in the United States shall on the grounds of race, color, religion, national origin, sex, or age be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any project, program or activity funded in whole or in part through financial assistance under this Act.

Civil Rights (3)

Equal Employment Opportunity (EEO)

- FTA requires entities meeting certain threshold requirements to either submit or prepare and maintain an EEO Program. An EEO Program is a detailed set of procedures and employment information designed to ensure entities meet the EEO requirements.
- For more information:

<https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/eo-guidance>)

Civil Rights (4)

Title VI

- Recipients whose *only* FTA funding is through the University Transportation Center Program, National Research and Technology Program, Transportation Cooperative Research Program, Over the Road Bus Accessibility program, or the Public Transportation on Indian Reservations program (TTP) are exempt from submitting a Title VI Program
- All other recipients must submit a Title VI Plan to FTA every three years, in accordance with FTA C. 4702.1B

Civil Rights (5)

Americans with Disabilities Act (ADA)

- All FTA-funded services, programs, and activities must be accessible to persons with disabilities consistent with Titles II and III of the ADA, implemented through Department of Justice and DOT regulation
- Accommodations must be made for persons with disabilities in the areas of employment, public services, telecommunications, and other provisions of the ADA

Civil Rights (6)

Disadvantaged Business Enterprise (DBE)

- If a recipient meets the threshold for submitting a DBE program (\$250,000 or more in planning, capital or operating assistance prime contracts), it must include contracting opportunities arising out of financial assistance provided by the FTA research agreement in calculating overall DBE goals in accordance with Subpart C of 49 CFR 26.45, as applicable

Civil Rights (7)

Disadvantaged Business Enterprise (DBE)

- Subrecipients must not discriminate in the award and performance of any third-party contract or sub agreement
- For transit vehicle contract awards, the name of the successful bidder and the total dollar value of the contract must be reported to FTA

Discussion/ Questions?

For Additional Information, please
contact your Program Manager.