



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item
Meeting of January 23, 2010

DATE: December 30, 2009

SUBJECT: Approval of Agreements Between the County Board and the Virginia Department of Rail and Public Transportation for Commuter Services Program Federal and State Grant Funds and Appropriation of Such Funds

C. M. RECOMMENDATIONS:

1. Approve the attached Project Agreement between the County Board and Commonwealth of Virginia, Department of Rail and Public Transportation in the amount of \$900,000, and authorize the County Manager to execute the Agreement and other required documents for use of Commonwealth Transportation Funds FY 2010, subject to approval of such Agreement and documents as to form by the County Attorney.
2. Approve the attached Project Agreement between the County Board and Commonwealth of Virginia, Department of Rail and Public Transportation, and other required documents for use of Federal Highway Administration Congestion Mitigation and Air Quality Funds FY 2010 CM-5401(657), subject to approval of such Agreement and documents as to form by the County Attorney, and accept any funds awarded.
3. Appropriate \$1,644,540 in grant revenues (\$100,000 for 101.346001.41150; \$200,000 for 101.346002.41150; \$1,344,540 for 101.346004.41150) to the FY 2010 Commuter Services Program, Transportation Planning (101.456000.41150).

ISSUES: Additional State and Federal funds cannot be accepted on behalf of the County and appropriated for specified activities until these Agreements are approved by the Board and executed on its behalf.

SUMMARY: The Arlington County Commuter Services (“ACCS”) program is funded primarily using State and Federal transportation funds. Each year, ACCS staff submits grant applications to the State to fund various projects and programs that influence people to increase use of transportation options such as transit, walking, bicycling, car/vanpooling, carsharing, and telecommuting. The Agreements recommended for execution have been approved by the Virginia Department of Rail and Public Transportation (“DRPT”) and funds on-going operational and marketing expenses.

County Manager: BMD/mra

County Attorney: BAC/SAM

28.

Staff: Paul E. Culver, Dept. of Environmental Services – Transportation Division

BACKGROUND: On an annual basis, grant applications for the ACCS program are considered by the County Board in January or February, at which time resolutions are adopted authorizing application to the State for grant funding. The fiscal year (“FY”) 2010 applications, previously authorized by the Board, were filed with DRPT and approved for Commonwealth Transportation funding in the amount of \$900,000 on July 1, 2009. The FY 2010 Congestion Mitigation and Air Quality (“CMAQ”) grant application was considered by the County Board at its September 13, 2008 meeting. The application was filed and the grant was approved; however, the grant was not available until the beginning of the Federal fiscal year starting October 1, 2009.

DISCUSSION: Attached for County Board approval are two Agreements to help fund the ACCS program. The first Agreement is the “Project Agreement for Use of Commonwealth Transportation Funds Fiscal Year 2010” for \$900,000 funds on-going ACCS program expenses. This Agreement has two funding elements: Transportation Efficiency Improvement Fund (“TEIF”) Rideshare Assistance and TEIF Other. The TEIF Rideshare Assistance is an annual funding source for on-going operational and marketing expenses of ACCS. This fiscal year’s award is \$700,000 and requires a 20 percent local match of \$175,000. The TEIF Other grant funds personalized/individualized marketing of transportation options, which research has shown to boost ridership of public transit, shared-rides and biking as commute and trip modes. A total of \$200,000 was awarded and requires a 20 percent local match of \$50,000. The County has the required local match of \$225,000 for both TEIF funds above.

The second Agreement for approval is the “Agreement for the use of Federal Highway Administration Congestion Mitigation Air Quality – Fiscal Year 2010” for \$3,700,000. This Federal grant funds the majority of the on-going operational and marketing expenses of ACCS and is matched by the State. No local match is required.

FISCAL IMPACT: The total grant funds awarded to Arlington County Commuter Services (ACCS) for the grants discussed in this Board Report totals \$4,600,000 (see table). Of such total amount, \$2,955,460 previously has been included by the County Board in the FY 2010 Adopted Budget.

County Board				
FY	Grant	Approved ACCS Spending	Awarded by State	Difference
2010	CMAQ	\$2,355,460	\$3,700,000	\$1,344,540
2010	Rideshare	\$600,000	\$700,000	\$100,000
2010	TEIF	\$0	\$200,000	\$200,000
		\$2,955,460	\$4,600,000	\$1,644,540

For FY 2010, it is recommended that the County Board appropriate an additional \$1,644,540 in Federal and State transportation grant monies to fund TEIF Rideshare Assistance, TEIF (Personalized Marketing) projects, and CMAQ funding of on-going ACCS operations. As previously explained in the Discussion Section of this Board Report, there are sufficient local expenditures to meet the match requirements of the two TEIF grants for \$225,000.

**Project Agreement for Use Of
Commonwealth Transportation Funds
Fiscal Year 2010**

The Commonwealth of Virginia, Department of Rail and Public Transportation, here after referred to as the DEPARTMENT, and Arlington County, here after referred to as the GRANTEE; enter into this Project Agreement dated July 1, 2009. The parties hereby agree to incorporate the Master Agreement for Use of Commonwealth Transportation Funds, dated July 1, 2009, as if set out in full herein. The Project Agreement Summaries and Budgets agreed to by the parties are set out in Appendices 1 - 2. In no event shall the DEPARTMENT grant, pursuant to this Project Agreement, exceed \$900,000. This amount reflects funding for formula assistance and capital projects.

IN WITNESS whereof, the DEPARTMENT and the GRANTEE executed this Project Agreement effective on the day and year above written.

WITNESS:

By: [Signature]

By: [Signature]

Director, Commonwealth of Virginia
Department of Rail and Public
Transportation

By: _____

By: _____

Title: _____

Date: _____

Grantee: Arlington County

Appendix 1

**TEIF Rideshare Assistance
(Transportation Demand Management)**

Grant Recipient: Arlington County

Payment Schedule

**Project Start Date: July 1, 2009
Project Expiration Date: June 30, 2010**

**EIN: 546001123 00
Project No: 71010-06**

Maximum State Share of Eligible Expenses: \$700,000.00

Maximum State Percentage of Non-federal expenses is 80%.

Payment No.	Payment Processing Date	Rideshare Payment Amount
1	October 15, 2009	\$221,666
2	January 15, 2010	\$221,666
3	April 15, 2010	\$221,666
4	FINAL	<u>\$35,002</u>
TOTAL		\$700,000
472	State share of project cost (80%)	\$700,000
1400	Local share of project cost (20%)	\$175,000

The processing for each payment will be initiated on the payment processing date. The final payment will be processed when a signed copy of the Certification of Ridesharing Expenses is received by the Department of Rail and Public Transportation. The Certification shall be submitted no later than September 30, 2010.

Appendix 2

**Project Agreement Summary
(TEIF Other)**

Grant Recipient: Arlington County

Project Number: 71410-01

Project Start Date: July 1, 2009

Project Expiration Date: June 30, 2011

Maximum State Share of Eligible Expenses: \$200,000

EIN: 546001123 00

Project Agreement Budget Detail

Expense Detail	Item Amount
Personalized/Individualized Transportation Marketing	\$250,000
Total Expenses	\$250,000

Expense Summary

472 State share of project cost (80%)	\$200,000
1400 Local share of project cost (20%)	\$50,000

SPECIMEN:

Agreement with proper amount
coming from DRPT

AGREEMENT
FOR THE USE OF
FEDERAL HIGHWAY ADMINISTRATION
CONGESTION MITIGATION AIR QUALITY -
FISCAL YEAR 2010
CM-5401(943)
Project 47009-01
UPC T100
County of Arlington

Section Number and Description

Introduction

1 Purpose and Source of Funds

2 Local Share

3 Project Budget

4 Requisitions and Payments

5 Termination

6 Contracts of the PUBLIC BODY

7 Liability Waiver

8 Restrictions, Prohibitions, Controls, and Labor Provisions

9 Compliance with Title VI of the Civil Rights Act of 1964

10 Statement of Financial Assistance

11 Environmental Protection

12 Special Provision

Appendix A Project Description and Budget

Appendix B Restrictions, Prohibitions, Controls and Labor Provisions

Appendix C Title VI

Appendix D Audit Guidelines

THIS AGREEMENT made this ___ day of _____, 200.., between the Commonwealth of Virginia (hereinafter referred to as the COMMONWEALTH) acting by and through the Virginia Department of Rail and Public Transportation (hereinafter referred to as the DEPARTMENT) and County of Arlington (hereinafter referred to as the PUBLIC BODY),

WHEREAS, under provisions set forth under Title 23 of the United States Code Section 149, the Congestion Mitigation Air Quality (CMAQ) program was established to fund transportation projects or programs that will contribute to attainment of national ambient air quality standards; and

WHEREAS, the PUBLIC BODY desires to secure and utilize grant funds for these purposes;

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the DEPARTMENT and the PUBLIC BODY agree as follows:

SECTION 1: Purpose and Source of Funds

Under the provisions of the Title 23 of the United States Code, CMAQ funds are available to the COMMONWEALTH for use in CMAQ projects. The sum of \$_____ in federal funds shall be provided from CMAQ funds and made available to the PUBLIC BODY. This amount is provided to carry out the work activities described in the approved project scope of work incorporated in Appendix A and contained in the approved Transportation Improvement Plans of both the urbanized area of which the PUBLIC BODY is a part and of the COMMONWEALTH.

SECTION 2: Local Share

The PUBLIC BODY agrees that it will provide funds from sources other than Federal funds (except as may otherwise be authorized by Federal statute), in an amount sufficient, together with the

Grant, to assure payment of the total project cost. The PUBLIC BODY further agrees that no refund or reduction of the amount so provided will be made at any time, unless there is at the same time a refund to the DEPARTMENT of a proportional amount of the Grant funds being refunded or reduced. The PUBLIC BODY's obligation to provide the Local Share is calculated on the Project as a whole.

The Project Budget is found as part of Appendix A. of this AGREEMENT.

SECTION 3: Project Budget

The PUBLIC BODY shall maintain a project budget, which shall be the latest budget approved by the DEPARTMENT pursuant to request by the PUBLIC BODY, as an element of Appendix A. The PUBLIC BODY shall incur obligations against and make disbursements of the Project funds only in conformity with the latest approved budget for the Project. Indirect costs are an allowable expense if they are based on a cost allocation plan that has been approved by the DEPARTMENT.

In no event shall the DEPARTMENT be liable to the PUBLIC BODY for any portion of the project cost except to pass through the federal share to the PUBLIC BODY. The DEPARTMENT's responsibility for the project cost shall be limited to the cost of coordination and processing of the PUBLIC BODY's reimbursement requests to the Federal Highway Administration.

SECTION 4: Requisitions and Payments

- (a) Requests for Payment by the Recipient. The PUBLIC BODY will make requests to the DEPARTMENT for payment of allowable costs as defined in the Code of Federal

Regulations: Highways, Title 49, CFR 18.22, the entirety of which is included herein by reference. The request for payment will be for the federal share of the total project cost at the appropriate rate of federal participation as shown in the Project Budget, which is included in this AGREEMENT in Appendix A. The DEPARTMENT will honor such request in the manner set forth in this section. In order to receive payments, the PUBLIC BODY must submit all of the following:

- (1) An invoice to the DEPARTMENT in the appropriate billing format for CMAQ projects;
 - (2) A certification that it has supplied nonfederal funds adequate, when combined with the federal payments, to cover all costs to be incurred to the end of the requisition period; and
 - (3) All financial and progress reports required to date under this AGREEMENT or as may subsequently be required by the DEPARTMENT;
- (b) * The DEPARTMENT will use all reasonable means to forward payment for the federal share of allowable costs to the PUBLIC BODY within 30 days.

SECTION 5: Termination

- (a) For convenience. The DEPARTMENT may terminate this AGREEMENT at any time without cause, provided that it gives written notice to the PUBLIC BODY of such termination, which shall be effective on the date of the receipt of such notice by the PUBLIC BODY. In the event of such termination, the PUBLIC BODY shall be compensated for

allowable costs through the date of receipt by the PUBLIC BODY of written notice to terminate from the DEPARTMENT .

(b) With Cause. The DEPARTMENT may terminate the Project and cancel this AGREEMENT by written notice to the PUBLIC BODY no later than five (5) days before the effective date of such termination for any of the following reasons:

(1) The PUBLIC BODY discontinues the use of such vehicles, equipment, or facilities during their useful lives for the purpose of providing the services defined in Appendix A of this AGREEMENT.

(2) The PUBLIC BODY takes any action pertaining to this AGREEMENT without the approval of the DEPARTMENT and which under this AGREEMENT would have required the approval of the DEPARTMENT.

(3) The commencement, prosecution or timely completion of the Project by the PUBLIC BODY is, for any reason, rendered improbable, impossible or illegal.

(4) The PUBLIC BODY shall be in default under any provision of this AGREEMENT.

(5) Termination or reduction of federal funds for this program.

(c) Action Upon Termination. Upon termination of the Project and cancellation of this AGREEMENT under the provisions of paragraph (a) or (b) of this Article, the PUBLIC BODY agrees to cease all actions which may result in further charges or encumbrances under this AGREEMENT, and to dispose of the Project equipment in accordance with FHWA and DEPARTMENT procedures.

SECTION 6: Contracts of the PUBLIC BODY

Unless authorized in writing by the DEPARTMENT, the PUBLIC BODY shall not assign any portion of the work to be performed under this AGREEMENT, or execute any contract, amendment, or change order thereto, or obligate itself in any manner with any third party with respect to its rights and responsibilities under this AGREEMENT without the prior written consent of the DEPARTMENT. The DEPARTMENT will review and approve Request for Proposals which use CMAQ funds prior to their issuance. All requests or invitations for bids, proposals, qualifications, or interest, or other official procurement processes, however referred to by the PUBLIC BODY, must receive written consent by the DEPARTMENT prior to advertisement or issue.

SECTION 7: Liability Waiver

The PUBLIC BODY shall not seek redress for damages or injury caused in whole or in part by the COMMONWEALTH, the DEPARTMENT or their officers, agents or employees acting within the scope of their duties. The PUBLIC BODY is covered by and will keep in force an insurance policy from the Department of Risk Management, or its equivalent, which protects the COMMONWEALTH, the DEPARTMENT and their officers, agents and employees against damage or injury caused by the negligence of the PUBLIC BODY, its officers, agents or employees which arise from their use of funds provided under this AGREEMENT.

SECTION 8: Restrictions, Prohibitions, Controls, and Labor Provisions

The PUBLIC BODY shall comply with all of the restrictions, prohibitions, controls, and labor provisions as set forth in Appendix B, and made a part of this AGREEMENT by reference.

SECTION 9: Compliance with Title VI of the Civil Rights Act of 1964

The PUBLIC BODY shall comply with the provisions of Title VI of the Civil Rights Act of 1964, as set forth in Appendix C, and made a part of this AGREEMENT by reference.

SECTION 10: Statement of Financial Assistance

The PUBLIC BODY shall include in all contracts entered into pursuant to this AGREEMENT all of the above-required clauses. In addition, the following required provision shall be included in any advertisement or invitation to bid for procurement under this AGREEMENT:

Statement of Financial Assistance: This contract is subject to a financial assistance agreement between the Commonwealth of Virginia and the U.S. Department of Transportation.

SECTION 11: Environmental Protection

The PUBLIC BODY shall ensure in the purchase and use of equipment or the construction and use of facilities that compliance is maintained with all applicable standards, orders, or requirements issued under Section 306 of the Clear Air Act (42 U.S.C. 1857(h)), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. Part 15), which prohibit the use of facilities included on the EPA List of Violating Facilities. Violations shall be reported to the Federal Highway Administration and to the U.S.E.P.A. Assistant Administrator for Enforcement.

SECTION 12: Special Provisions

- (a) Special Condition Pertaining to Financing CMAQ Projects. Sufficient funds must be available from the United States Department of Transportation and an adequate liquidating cash appropriation must have been enacted into law before payments may be made to the PUBLIC BODY under this AGREEMENT.

- (b) All funds made available by this AGREEMENT are subject to audit by the DEPARTMENT or its designee, and by the Federal Highway Administration or its designee. Current audit guidelines for the DEPARTMENT are set forth in Appendix D, and made a part of this agreement by reference.

IN WITNESS WHEREOF, the DEPARTMENT, acting by and for the
COMMONWEALTH, and the PUBLIC BODY have caused this AGREEMENT to be executed
by their respective officials, thereunto duly authorized.

**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION**

PUBLIC BODY

Appendix A

CMAQ Budget

Commuter Assistance Program

Project Number: 47009-01

Federal Award Number: CM 5401(943)

UPC: T100

Grant Recipient: County of Arlington

Project Start Date:

Project Expiration Date:

Maximum Federal Share of Eligible Expenses:

EIN: 546001123-00

Capital Project Agreement Budget Detail

Expense Detail	Item Amount
Commuter Assistance Program	
Total Expenses	

Expense Summary

- 401 Federal share of project cost**
- 0472 State share of project cost

Appendix B: Restrictions, Prohibitions, Controls, and Labor Provisions

(a) **The PUBLIC BODY**, its agents, employees, assigns, or successors, and any persons, firms, or agency of whatever nature with whom it may contract or make agreement, in connection with this Agreement, shall not discriminate against any employee or applicant for employment because of age, race, religion, handicap, color, sex, or national origin. The PUBLIC BODY shall take affirmative action to ensure that applicants are employed and that employees are treated during their employment, without regard to their age, race, religion, handicap, color, sex, or national origin. Such actions shall include, but not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

(b) **Disadvantaged Business Enterprises** It is the policy of the U.S. Department of Transportation (DOT) that DBEs as defined in 49 CFR 26 have the maximum opportunity to participate in the performance of contracts financed in whole or in part with the Federal funds under this agreement. Consequently, the DBE requirements of 49 CFR 26 apply to this agreement.

The recipient or its contractors shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR part 26. The recipient shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The recipient will utilize the Virginia Department of Transportation's DBE program, as required by 49 CFR part 26 and as approved by DOT, which

is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

Pursuant to the requirements of 49 CFR 26 the following clause must be inserted in each third party contract:

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate

(c) Interest of Member of, or Delegates to, Congress. No member of, or delegate to, the Congress of the United States shall be admitted to any share or part of this AGREEMENT or to any benefit arising therefrom.

(d) Conflict of Interest. The PUBLIC BODY and its officers and employees shall comply with the provisions of the State and Local Governments Conflicts of Interest Act (2.1-639.1 of the Code of Virginia (1950), as amended, et seq.), the terms of which are incorporated herein by reference.

(e) **The PUBLIC BODY**, its agents, employees, assigns, or successors, and any persons, firm, or agency of whatever nature with whom it may contract or make an agreement, shall comply with the provisions of the Virginia Fair Employment Contracting Act (2.1-374 et seq. of the Code of Virginia (1950), as amended), the terms of which are incorporated herein by reference.

Appendix C: Title VI

During the performance of this Contract, the PUBLIC BODY, for itself, its assignees, and successors in interest (hereinafter referred to as the "PUBLIC BODY") agrees as follows:

- (1) **Compliance with Regulations**: The PUBLIC BODY shall comply with the Regulations relative to nondiscrimination in Federally-assisted programs of the Department of Transportation (hereinafter, "DOT"), Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this Contract.
- (2) **Nondiscrimination**: The PUBLIC BODY, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race color, sex, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Consultant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations.
- (3) **Solicitations for Subcontracts, Including Procurements of Materials and Equipment**: In all solicitations, either by competitive bidding or negotiation made by the PUBLIC BODY for work to be performed under a subcontract, including procurements of materials or leases or equipment, each potential subcontractor or supplier shall be notified by the PUBLIC BODY of the PUBLIC BODY's obligations under this Contract and the Regulations relative to nondiscrimination on the ground of race, color, sex, or national origin.
- (4) **Information-Reports**: The PUBLIC BODY shall provide all information and reports developed as a result of or required by the Regulations or directives issued Pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its

facilities as may be determined by the DEPARTMENT or Federal Highways Administration (FHWA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a PUBLIC BODY is in the exclusive possession of another who fails or refuses to furnish this information, the PUBLIC BODY shall so certify to the DEPARTMENT or the Federal Highways Administration, as appropriate, and shall set forth the efforts it has made to obtain this information.

(5) **Sanctions for Noncompliance:** In the event of the PUBLIC BODY's noncompliance with the nondiscrimination provisions of this Contract, the DEPARTMENT shall impose such contract sanctions as it or Federal Highways Administration may determine to be appropriate, including, but limited to:

- (a) Withholding of payments to the PUBLIC BODY under the Contract until the PUBLIC BODY complies; and/or
- (b) Cancellation, termination, or suspension of the Contract in whole or in part.

(6) **Incorporation of Provisions:** The PUBLIC BODY shall include the provisions or paragraphs (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The PUBLIC BODY shall take such action with respect to any subcontract or procurement as the DEPARTMENT or the Federal Highways Administration may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a PUBLIC BODY becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the PUBLIC BODY may request the DEPARTMENT to enter into such litigation to protect the interest of the United States.

Appendix D: Audit Guidelines

OMB Circular A-133, Audits of State and Local Governments and Non-profit Organizations, was issued pursuant to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156. It sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of States, local governments, and non-profit organizations expending Federal awards. A-133 is applicable to recipients of funds under this AGREEMENT. USDOT and FHWA regulations implementing A-133 are contained in 49 CFR Part 90 and 23 CFR Part 12, respectively. In addition, other regulations/publications which are applicable and should be referred to as necessary are:

- 1) OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments"
- 2) 49 CFR Part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" (also referred to as "The Common Rule.").
- 3) Government Auditing Standards - "Yellow Book" - 1988 Revision.
- 4) "Compliance Supplement for Single Audits of State and Local Governments."

In preparing the audit reports, Subpart B, "Audits," of OMB Circular A-133, should be referenced and complied with.

Additional guidance is as follows:

- 1) Eligibility of costs is stressed for expenditures made within the grants. OMB Circular A-87 should be referenced and applied. Generally, some of the problems encountered are:
 - a) Unacceptable or no cost allocation plan, usually for "indirect costs."
 - b) Arbitrary allocation of costs.
 - c) Failure to maintain time and attendance records.
 - d) Failure to keep accurate track of employee time spent on each of several grants.
 - e) Improper documentation.
- 2) The report should have sufficient schedules, either main or supplementary, that identify beginning balances, revenues, expenditures by line item and individual grants, and fund balances. Virginia DRPT (DEPARTMENT) grants should be separated. A schedule of ineligible costs should also be included if such costs are found.

- 3) The report should present a schedule of indirect costs, and be presented in a manner that indicates the method of developing the costs (including fringe benefits). Indirect costs should be analyzed for eligibility of costs included (interest, taxes, etc.).
- 4) Costs should be classified to identify expenditures by the grantee in contract to disbursements actually passed through to subrecipients. The scope of the audit should include expenditures made by the subrecipients and be identified in the audit report. This includes consultants, subconsultants, and any other recipient of pass through funds.
- 5) Generally speaking, it is left up to the auditor's professional judgment to determine materiality in selection of parameters for sample testing and recognition of errors. However, it is suggested that the size of each individual grant in the entity be considered when selecting parameters rather than total overall operation of the entity
- 6) The following groups should be sent copies of the audit reports:
 - a) Two copies of the audit reports and two copies of the OIG Review of the Report are to be sent to:

Virginia Department of Rail and Public Transportation
Attention: Donald Karabaich, Senior External Auditor
1313 East Main Street, Suite 300
Richmond, VA 23219
 - b) Grantees expending more than \$500,000 a year in Federal assistance must forward a copy of the audit to a central clearinghouse designated by OMB.

Federal Audit Clearinghouse
Bureau of the Census
1201 E. 10th St.
Jefferson, IN 47132
 - c) If your independent annual single audit contains FTA program findings, a copy of the entire audit report must be submitted to your FTA Regional Office. If your agency receives funds from more than one U.S. DOT agency and FTA is your point-of-contact for all DBE program issues, then you must submit the entire audit report if it contains any findings related to any DOT program.
 - d) If your independent annual single audit report contains no FTA program findings or other US DOT program findings, a copy of only the Federal Clearinghouse transmittal sheet must be submitted to your FTA Regional Office.