

Missouri Department of Transportation



Section 5311

Nonurban Transportation Assistance Grant Program

State Management Plan

October 2010

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I. GENERAL PROGRAM DESCRIPTION

I-1 PROGRAM RESPONSIBILITY

The Missouri Department of Transportation (MoDOT) is the agency designated by the Governor to administer funds available through Chapter 53, Section 5311 of Title 49 United States Code herein referred to as Section 5311. Basic responsibility rests with the Transit section in the Multimodal Operations Division.

The department also administers all other state level Federal Transit Administration (FTA, also referred to as DOT – Department of Transportation) programs, state transit operating assistance, and the state funded Missouri Elderly and Handicapped Transportation Assistance Program.

Support is provided by the department's legal and purchasing staff. Departmental designation is on file with the Federal Transit Administration.

I-2 GOALS AND OBJECTIVES

The goals of the Missouri Department of Transportation for the Section 5311 program are to:

1. Support local governments that desire to provide open, general public transportation services to their constituents.
2. Develop and/or maintain basic levels of general public transportation in all nonurbanized parts of the state.
3. Promote, where economical, coordination of specialized transportation programs and funds by providing opportunities and technical assistance for social service agencies wishing to purchase service on general public systems. A part of this goal is to create the opportunity to experiment with new and innovative organizational structures and funding packages.
4. Draw on the resources of the private sector for providing public transportation to the maximum extent feasible.
5. Complement other FTA programs for special purpose and general public transportation.
6. Administer the program in accordance with all FTA regulations.

To accomplish these goals, the department has developed an extensive handbook for program

applicants (see Appendix A). This document, along with the standard agreement, outlines the department's basic approach to program administration. Both are referred to extensively in subsequent sections of this state management plan (SMP) and are incorporated into this document by reference.

I-3 ELIGIBLE SERVICE AREAS

Services will be accessed by residents of nonurbanized areas and may include transportation into urbanized areas. Services that begin and end in an urbanized area are not eligible. Services for residents of urbanized areas traveling to non-urbanized areas may be provided if coordinated with rural-to-urban service. Intercity bus service may originate and end in urban areas but it must serve nonurbanized areas in between. Joint projects may be developed with Section 5311 operating participation based on the portion of vehicle net operating costs attributable to the non-urbanized service. Capital costs of joint projects will be divided according to capital consumed in urbanized and non-urbanized service.

I-4 ELIGIBLE RECIPIENTS

Eligible recipients are local public bodies and agencies thereof, private nonprofit organizations, federally recognized Indian tribal governments, and organized Indian Tribal organizations. Currently, no federally recognized Indian Tribes exist within the State of Missouri. Private for-profit operators may participate under contract with an eligible recipient with the concurrence of the department. However, this restriction does not apply to intercity bus providers funded under the Section 5311(f) program; they may contract directly with MoDOT.

Local public bodies providing local unrestricted matching funds are recognized as primary recipients with the first right to apply for Section 5311 funds to serve their local area. Nonprofits are also allowed to participate in the program on behalf of a rural community when no public applicant exists. Nonprofits must establish eligibility in terms of matching funds available and general public services offered.

When multiple nonprofits seek Section 5311 funds for a particular local area, the applicant that, in the department's judgment, can responsibly operate and offer the best service

package will be awarded funds. In general the applicant that generates the greatest amount of local transportation funding, with first priority given to city or county revenue, will be given preference. Service criteria such as hours and days of service and vehicle availability (including handicapped accessibility) will also be considered in the award.

When multiple public entities apply for funds for the same service area, the public entity with the highest level of jurisdiction will be given preference, i.e. county over city, city over ambulance district. The public entity's capacity to provide service and the availability of local funds will also be considered.

Unless exceptional circumstances exist, only one Section 5311 assisted operator will be allowed to provide service in any given area. The department will not authorize a not-for-profit to provide Section 5311 assisted general public services in an area covered by a public body grantee.

Recipients must be able to provide acceptable matching funds for carrying out the project.

Applicants must demonstrate they have the technical capacity to carry out the project.

Technical capacity means an organization has:

1. a structure of policies and procedures that allows them to function in an efficient and effective manner;
2. a staff of trained employees who are capable of following the policies and procedures;
3. an accounting system and other tracking methods that ensure financial responsibility and asset control; and
4. the knowledge and ability to comply with federal, state, and local laws, regulations, and/or requirements.

I-5 ELIGIBLE ACTIVITIES

The Section 5311 program was established to provide financial support for general public transit services in nonurbanized areas. General public services are those that are open to the public at large. These direct transportation activities and associated administrative (limited to 15% of the 5311 Annual Apportionment) and capital costs are eligible for Section 5311 assistance. The maximum federal matching funds ratio for operating assistance is 50%

federal (DOT): 50% local, state, or non-DOT federal funds. Beginning in State Fiscal Year 2008, selected administrative funds became eligible for 80% reimbursement. For most capital purchases the ratio is 80% federal (DOT): 20% local, state, or non-DOT federal.

The department will make an annual reservation of 15% apportioned funds for intercity bus service in nonurbanized areas. The set aside will be determined through a consultation process described in Section I-10. The set aside for intercity bus service will be committed to other uses if no eligible applicants come forward within 30 days of the date interested organizations are notified.

I-6 COORDINATION

MoDOT highly encourages applicants to participate in their area local coordinated planning process.

The department recognizes the importance of coordination with social service programs and the potential for improved services that may result from combined efforts. Program recipients are permitted to establish routes and schedules that recognize special needs or concentrations of subgroups of the general population. These routes and schedules must not be so restrictive that they have the effect of limiting the services to a particular subgroup only.

All offers made by Section 5311 assisted organizations to provide third party contract transit services costing over \$1,000 are subject to prior MoDOT approval during the application process.

I-7 INCIDENTAL SERVICES

Program recipients are encouraged to make the benefits of their existing administrative structure and transportation expertise available to programs with special or exclusive transportation needs. Section 5311 operators may provide incidental services, such as meal or package delivery, under their existing administrative structure as long as the service does not conflict with providing public transportation service or reduce service to public transportation services and the program recipient covers the operating and vehicle costs. No additional administrative costs will be

allowed, but existing administrative costs need not be charged to the restricted service. Incidental services must not result in a reduction of passenger service. Trip denials (if any) and response time must be continuously monitored to ensure that the quality and quantity of passenger service is not diminished by the provision of incidental services. MoDOT will review the impact of incidental service on the passenger service and restrict operations if necessary.

I-8 PRIVATE OPERATORS

A public entity or not-for-profit recipient may use a for-profit company as their provider if they do not wish to operate their own transit system. The recipient must adhere to a bidding process that includes: 1) public notification of the bid solicitation, 2) bid packets being made available to all potential bidders, and 3) the bid packets including all FTA assurances and certifications required of the recipient. The department will review the bid packet prior to solicitation of bids or proposals and concur in the award of bid as well as reviewing the third party contract before execution. All contracting parties must sign a written contract that includes relevant FTA assurances and certifications, and any additional requirements contained in the agreement between MoDOT and the grantee. A copy of the executed contract must be submitted to MoDOT. Further information is included in Section V – Private Sector Involvement.

I-9 DISTRIBUTION OF FUNDS AND PROJECT EVALUATION

The state may use up to fifteen percent of its Section 5311 apportionment for program administration, planning and technical assistance, with no local match required. The Rural Technical Assistance Program (RTAP) funds are a separate allocation used exclusively by the state for training and technical assistance. Normally, Missouri does not use the full allocation of administrative funding.

To accomplish the department's goals for the Section 5311 program the following distribution of funds has been settled on as a method for allocating federal funds (minus any reserved for administration) beginning with the 1994 federal apportionment.

- 15% of the Section 5311 funds will be

reserved to support intercity bus service. In the event that eligible applicants do not express an interest in supporting intercity bus service or, if the requests received are less than the reserved amount, after the completion of the State consultation process (see Section I-10), within 30 days of notification of availability, the Governor will be requested to execute a certification that all intercity bus needs are being met. Funding reserved for intercity bus service will then be transferred to the discretionary set aside.

- 10% will be held in reserve to be allocated at the discretion of the department. Rural transportation is still an emerging service and flexibility to recognize different approaches and the availability of complementary programs and funds is necessary.

Forty percent of the remaining funds will be allocated to nonurban city systems, with 60 percent going to county and regional operations. Increases in federal funds will be allocated proportionately to the 60%/40% categories, then by population base served by applicant organizations within each category. As a general rule, the department's discretionary funds will be divided according to the 40% city/60% county ratio and divided within each group on the population basis. The department reserves the right to vary the distribution of discretionary funding by 10 per cent. If the federal government formally recognizes an Indian tribe within the state, that tribe will be considered an eligible applicant and its service area will determine whether it is considered a municipal, county, or regional recipient.

Increased funds will be divided within each of the first two groups on the basis of population. The funds are not, however, entitlements and must be fully justified in terms of all program requirements. If a grantee in a group does not require or want all available funds they will be redistributed within the primary group. If all funds cannot be used within the group they will be allocated to the other group and divided according to population.

State transit funding will be allocated based on the population of the area served by each grantee.

MoDOT makes every effort to ensure the evaluation and prioritization process used in the Section 5311 allocation process is non-discriminatory. Should any applicant question the fairness of the selection process they are encouraged to contact the Section 5311 Program Manager. If the program manager is unable to resolve the organization's concerns that organization is encouraged to contact MoDOT's Administrator of Transit.

I-10 INTERCITY BUS

Private for-profit companies, not-for-profits, and public entities providing intercity bus service are eligible to apply for Section 5311(f) funding.

Each spring, MoDOT will consult with intercity bus companies through the following process:

1. MoDOT will develop a list of intercity bus providers operating within the State of Missouri.
2. All identified intercity bus providers will be contacted in writing to establish their need for subsidy on existing routes and any plans for expansion.
3. MoDOT will allocate up to 15% of the annual Section 5311 apportionment to providers, who apply for funding.
4. MoDOT will notify all providers in writing of the funding allocations.
5. MoDOT will assess whether the State's intercity services needs are adequately met, recognizing that the main roadblock to providing service is the lack of local match. MoDOT will fund providers who are willing to either provide the local match or have other resources. Development of new routes and/or services will be explored on an annual basis in consultation with the existing providers.

If applications are received for more than the funds available, operating grants will be awarded on a competitive basis using the following criteria:

- percentage of fare recovery;
- cost per revenue mile; and
- ridership per revenue mile
- ratio of rural bus stops to miles per route.

The 15% allocation for intercity bus service will be subject to the 15% takedown for state

administrative expenses. MoDOT will not allocate more than the 15% reserve to intercity bus service regardless of how many applications are received (also see Section I-9).

Capital grants will be funded only if requests for operating subsidies are less than the 15% allocation available and will be evaluated on a competitive basis using the criteria above for the route on which a vehicle would be used and prior capital funding for the intercity bus provider.

Intercity Bus providers must abide by the same rules and regulations as other Section 5311 providers including procurement and auditing requirements.

To simplify the auditing process and to ensure that for-profit companies' proprietary information is not disclosed, eligible operating expenses are limited to the following:

- marketing/advertising for new and/or expanded service;
- operating expenses including fuel, tires, supplies, and drivers' wages and benefits;
- licensing;
- insurance; and
- repairs.

No administrative expenses are allowable in order to protect proprietary information. Depreciation and maintenance/upkeep of offices and facilities are also not allowable expenses.

The amount of subsidy will be limited to no more than one half of the net operating expense (total eligible expense reduced by total fares). The intercity bus provider may provide the match through other company revenues or may solicit matching funds from cities and entities that may be interested in maintaining intercity bus service in their area.

The Section 5311 program manager, or a designated representative, will inventory all equipment purchased with federal funds biennially. Intercity Bus operators must make the equipment readily available for inspection at MoDOT's request. In addition, the program manager will perform field audits to review maintenance records for federal funded vehicles, ensure compliance with ADA, and oversee drug and alcohol testing requirements. All intercity bus drivers must hold CDL licenses and comply with the Federal Motor Carriers

Drug & Alcohol Testing. When driving federal funded vehicles, however, the driver becomes subject to the Federal Transit Administration's testing requirements which differ slightly from Federal Motor Carriers.

I-11 PROJECT SELECTION AND COORDINATION WITH MPO PLANS

The department recognizes the importance of coordinating Section 5311 funding with the Metropolitan Planning Organizations' (MPOs) short and long-range planning process. All proposed Section 5311 projects requesting federal participation located in these planning areas must be listed within the respective MPO Transportation Improvement Program prior to funding by MoDOT.

I-12 TRANSFER OF FUNDS

In monitoring both the Urbanized Area Formula Program funds and the Nonurbanized Area Formula Program funds apportionments, it may be necessary to transfer Section 5307 funds into the Section 5311 program or vice versa.

I-13 PROJECT MONITORING AND TECHNICAL ASSISTANCE

The department provides local assistance and monitoring for all projects.

Field Audit: The on-site Section 5311 biennial project review assesses program compliance in the following areas:

- general system operating and maintenance procedures;
- compliance with drug and alcohol program requirements, such as testing rates, randomness of testing, privacy requirements, annual training for all safety-sensitive employees, etc.;
- Civil Rights, including non-discrimination, Environmental Justice, and Limited English Proficiency
- Americans with Disabilities Act (ADA)/Section 504,
- charter and school bus restrictions;
- procurement, including Buy America requirements;
- DBE and EEO requirements;
- insurance;
- impact of incidental services on passenger service;

- inventory of federally funded equipment,
- and vehicle fleet inspection.

The audit will also include assurance the system is open to, and serves, all public segments and that the project seeks to coordinate with social service agencies.

MoDOT Internal Control: The department staff also includes a finance and budget accountant who oversees the financial management of Federal Transit Administration grants. An objective of the department is to provide sound technical assistance on a continuing basis to all grantees.

Rural Transit Assistance Program (RTAP): A full-time multimodal operations specialist is assigned to provide driver training to recipients of Section 5311 projects. Specialized assistance in accounting, auditing, appraising, vehicle procurement and maintenance, and legal matters may also be provided, either by the Section 5311 Program Manager, other MoDOT staff, or attendance at classes and/or conferences

The RTAP program (Section 5311(b)) has been incorporated into the department's technical assistance effort. The goal of this program is to provide instruction designed to fulfill the training needs of recipients of Section 5311 funded projects. The Directors of the Section 5311 funded systems act as an advisory committee for the RTAP program. RTAP activities are discussed annually at the MPTA conference as well as at any administrative training held throughout the year.

Based upon the committee's recommendations, MoDOT has employed a full-time staff person who specializes in driver training and passenger assistance techniques. The RTAP trainer will visit any Section 5311 project and provide on-site training. The department's transit training program is updated as needed.

Funding is provided for off-site training in CPR, First-Aid and computer courses at no cost to Section 5311 projects. Funding is available for the costs of in-state training sessions (such as the MPTA annual meeting). If sufficient RTAP funds are available, out-of-state travel and training may be approved on a case-by-case basis upon submission of an application to the Section 5311 program manager.

Funds for continuing education, such as attendance at a four-year college to obtain a degree, are eligible. The following criteria must be met:

1. Prior approval must be received from the Section 5311 program manager before enrollment.
2. The student must be a full-time employee of a Section 5311 program recipient.
3. Expenses are reimbursable only after the student has completed the course and received an least a "C" grade or above.
4. Tuition only is reimbursable for up to and including 20 hours per calendar year. Expenses such as student activity fees, textbook costs, lab fees, etc. are not eligible.

I-14 REPORTING BY SECTION 5311 RECIPIENTS

The department does not set specific criteria in the areas of productivity, cost effectiveness or service standards. The number of trips, miles traveled, trips per vehicle and subsidy per trip, are used in evaluating new projects or renewing existing projects. Grantees must submit requests for reimbursement either monthly or quarterly. The request includes information on the number of trips, miles traveled, hours of service (see Appendix C), and detailed system costs. Annual reporting is required for the following: Rural Transit Database, Vehicle Inventory and Usage report (See Section III-1), and Substance Abuse Testing Program (see Section VII-7). Disadvantaged Business Enterprise activity (see Section VII-8), must be reported semiannually.

Rural Transit Database: Each grantee is required to submit a report based on the State's fiscal year (July 1 to June 30). Information must be submitted on or before September 15. The following data is required:

- Name of Grantee
- Address
- Telephone Number
- County
- Contact Person
- Type of Service Provided
- Service Area
- Volunteer Resources
- Number of Active Vehicles
- Number of ADA Accessible Vehicles
- Operating and Administrative

Expenses

- Operating Revenue
 - Fares
 - Contract Revenue
 - Federal Assistance
 - State Assistance
 - Local Funds
- Capital Costs
- Sources of Capital Funds
 - Federal Assistance
 - State Assistance
 - Local Funds
- Annual Vehicle Miles
- Annual Vehicle Hours
- Annual Passenger Trips
- Fatalities
- Major Incidents
- Major Injuries

Program Income:

As of October 1, 2010, grantees are required to report program income on the monthly/quarterly requests for reimbursement. Program income includes revenues from advertising, room rental of any federally funded facility, and voluntary rider donations. This information must be reported annually to FTA as an accumulative total for each operating grant.

II. PROGRAM ADMINISTRATION

II-1 ELIGIBLE ASSISTANCE CATEGORIES

Capital Expenses – Eligible expenses include the acquisition, construction and improvement of public transportation facilities and equipment. The federal share of eligible facilities and equipment shall not exceed 80 percent of the net capital cost. The federal share may be less than 80 percent depending on available funds, demand and the share of a capital project that is general public in nature.

Funding for ADA related improvements or bicycle access improvements is available on a 90%/10% basis. See FTA Circular 9040.1F, Chapter III, Section 2.

The local match for capital items must be local cash from sources other than transportation fares and DOT federal funds. Eligibility of an item does not imply approval. The need for all capital equipment must be documented specifically in the application process.

Public entities and not-for-profits are allowed to apply for Section 5311 and Section 5309 grant funds for fixed facilities such as buildings. Generally, only grantees that receive congressional earmarks will receive funds to acquire facilities as vehicles and equipment are given priority and funds are usually not sufficient to meet those needs.

The Missouri Department of Transportation will procure all rolling stock on behalf of Section 5311 grantees on a competitive bid basis in compliance with FTA Circular 4220.1, as amended. Other capital purchases will be made by the department or by the local recipient depending on particular circumstances. Local procurements must have prior department authorization for solicitation and for award and be must carried out in accordance with FTA grant requirements, FTA Circular 4220.1, as amended, and state procurement laws.

MoDOT conducts all FTA funded rolling stock audits as required by 49 CFR Part 663.37. Whenever twenty or more modified vehicles are purchased from a single vendor for one subrecipient, MoDOT will send its vehicle inspector to the point of assembly. A written report of the inspection will be kept on file for verification purposes.

Before vehicles are delivered to sub-recipients, MoDOT inspects each vehicle to ensure specification compliance. If a vehicle is determined non-compliant, the vendor is required to make necessary adjustments to ensure compliance with specifications.

Section 5311 assisted vehicles cannot be used for nonincidental client specific, exclusive services. Vehicles approved under Sections 5311 must be used for general public services only (see Section V-2 - Charter Bus and School Bus sections for exceptions).

Any equipment costing over \$5,000 must be capitalized, not expensed. Items costing under \$5,000 may be capitalized according to the recipient's own requirements. Records must be maintained for capital equipment as specified in Section III – Equipment Procurement, Management, and Disposition. Items costing less than \$500 are not eligible for capital funding at an 80/20 ratio but may be expensed as operating expenses.

Operating Expenses Eligible expenses include general administration (expenses that are necessary for the operation of the service but cannot be directly tied to a particular vehicle or route) and overhead, insurance, professional services, vehicle maintenance, facility maintenance, and direct transportation expenses.

Section 5311 funds may be used to support up to 50% of a project's net operating loss. Net operating loss is the total expense incurred minus any fares collected. Refer to the sections on local matching funds and use of project revenues for further information. MoDOT's funds some administrative expenses at 80% federal/20% local. Those expenses include all insurance premiums except for health insurance, background checks, physical exams for CDL license holders, and substance abuse testing. These expenses as well as other administrative expenses cannot exceed Thirty percent of the total operating cost.

Funds Reserved for State Administration

MoDOT may reserve up to 15% of the funds available for state administrative purposes. The amount reserved is generally between 8 – 10%. State administrative funds are used for:

- Program manager salary and expenses,
- Other transit staff salaries and expenses as appropriate,
- Planning studies (Intercity bus, transit needs assessments, etc.),
- Feasibility studies for rural facilities,
- Marketing for rural providers, and
- Other expenses as may be allowable as technical, planning or administrative costs.

II-2 APPLICATION CYCLE

Applications and grants under Section 5311 are based on the fiscal year of the local recipient. Grants are made for one year. This procedure of structuring around local fiscal periods minimizes problems in auditing for the recipient and MoDOT. Local applications are prepared in accordance with the department's handbook on Section 5311 applications. The handbooks are distributed directly to existing recipients. Applications are available on the department's website or potential applicants may request copies from the Section 5311 program manager. Potential applicants are urged to contact the program manager for technical assistance early in their planning process.

In March and April of each year, MoDOT will allocate funds for the next round of funding based on prior funding for current recipients. New applicants will receive funding based on the same funding level (cities generally receive 50% of their net expenses while regional and county systems currently receive funds that cover 30 – 45% of their total expenses).

Intercity bus providers are required to submit a preliminary application at this time as the funding for these recipients may vary widely dependent upon whether they are asking for capital funding. This requirement enables MoDOT to shift unused 5311(f) funds to the general public providers if it is available. Historically, MoDOT has not received 5311(f) funding requests that approach the 15% limitation on these funds.

After the allocations are determined, MoDOT will

apply to FTA for the funds. This is generally completed by April 30.

As every county in the state has public transportation, however limited, the department does not solicit applications but does make every effort to make the public aware of the program and assist in assessing local needs for the program. The Section 5311 program manager makes presentations to community groups and works with transportation "task forces" that are working to improve transportation in their community.

II-3 USE OF CAPITAL EQUIPMENT

Capital items are funded to provide general public transportation service in a specific area. Should a recipient be unable or unwilling to continue the service the equipment reverts to the department.

Recipients are permitted to reserve vehicles for administrative use under the following guidelines:

1. Federally funded nonrevenue vehicles may be used for routine or necessary travel of administrative staff for trips where mileage would normally have been paid for the use of a personal vehicle. Travel to and from work and/or weekend use for other than strictly business purposes is prohibited.
2. Federally funded vehicles are not to be used solely by board members for their travel.
3. All administrative vehicles should be parked at the office after working hours and on weekends.
4. Use of these vehicles must be documented in a log that includes:
 - Name of the user;
 - Date;
 - Destination;
 - Initial odometer reading;
 - Ending odometer reading; and
 - Trip purpose.
5. Inspection of administrative/service vehicles logs will be a part of MoDOT's routine field inspections.
6. Vehicles designated for administrative use must be reported to the department at the time of purchase. Change in use (moving a vehicle from wholly administrative to wholly revenue use, and vice versa) must be reported to MoDOT within 30 days.

II-4 LOCAL SHARE AND LOCAL FUNDING REQUIREMENTS

Capital Capital items are funded at a maximum Section 5311 share of 80% with ADA related improvements and bicycle access improvements eligible for 90% funding. Each applicant affirms the availability of the necessary local share as part of the application package. For capital purchases the local share must be in cash derived from non-operating sources, or a maximum of 15% of non-federal, operating revenues may be deposited into an escrow account each month to provide the local match for capital purchases. Fares cannot be escrowed. The amount escrowed must be held in a separate federally insured money market or savings account and deposits and withdrawals must be documented.

Operating Each recipient must demonstrate the availability of sufficient resources to defray a minimum of 50% of a project's net operating costs after the expenses for 80% reimbursement have been deducted. Net operating costs in excess of the amount in an operating grant must be met entirely by the recipient. Up to 10 percent of local and state funds (other than fares) may be escrowed to provide for an operating reserve. The balance held in escrow cannot exceed one fourth of the total expense shown in the latest independent audit. The amount escrowed must be held in a separate federally insured money market or savings account and deposits and withdrawals must be documented. Withdrawals must be counted as revenue in the month the withdrawal is made.

State transit assistance is allocated based on the service area population of each grantee. State assistance is paid out in equal installments of the time period of the grant. No match is required but expenses must equal or exceed the amount of the state assistance requested for the time period (monthly or quarterly) for which a reimbursement request is submitted.

Individual fares may not be used as match and eligible project expenses must be reduced by the fares collected before determining the amount of Section 5311 funds to be paid to the grantee.

Volunteer and contributed services may be included in an approved project budget as an expense and a part of the local share revenue in

the calculation of net project costs. Volunteer and contributed services may not, however, replace any contract revenue, passenger revenue, payment for services or unrestricted donations earned by the recipient during the project period. The department must approve all volunteer services and the value assigned to them in advance. Time sheets and other documentation must be kept to substantiate the value of any volunteer services.

Unrestricted federal funds used as match must not be from charter revenues (see Section V-2 - Charter Bus and School Bus). The same requirement applies to local funds. Section 5311 is designed to support local transportation services. In part, the character of the service is determined by the local matching funds available. Applicants must demonstrate that matching funds are not, in fact, revenues generated from charter bus or school bus activities. This is a state requirement, not a federal requirement.

Each applicant's package of local and unrestricted matching funds will be evaluated for compliance. Contributed services will be assumed to have only the character of cash items in the package of local matching funds.

II-5 ACCOUNTING AND RECORDS

All grantees will use the chart of accounts developed by the department for reporting project financial data to MoDOT. This will assist in making accurate comparisons by providing a uniform accounting structure. See Appendix B for the chart of accounts.

II-6 FEDERAL GAS TAX REFUNDS

All nonprofits receiving Section 5311 assistance are required to apply for refunds of federal gasoline taxes. Refunds received are to be treated as Section 5311 payments attributable to the project period in which the refund is actually received. If total expense for the project period equals or exceeds twice the sum of 1) federal funds paid, and 2) the amount of the refund, no repayment of Section 5311 funds to MoDOT is required.

Gas taxes attributable to urbanized operations are not subject to this requirement. Ideally this portion would be identified through actual urbanized fuel consumption. Since this may be

difficult, tax refunds can be divided on the basis of fuel purchased for transit vehicles primarily serving an urbanized area.

II-7 REIMBURSEMENT

Section 5311 is a reimbursement program. Recipients may request reimbursement for eligible expenses monthly or quarterly. Costs and revenues will be submitted according to the department's uniform chart of accounts using standard forms developed by the department. Each time recipients request Section 5311 assistance, they must submit a statement of revenue and expenses that details expenses by line item and project income by source. This determines the proper Section 5311 share.

II-8 AUDIT AND CLOSEOUT

At the end of the project period, recipients are required to submit a consolidated statement of revenues and expenses for the entire project period. The recipient must also submit a report prepared by an independent auditor in accordance with the department's audit guidelines. For grant recipients who expend more than \$500,000 in federal funds during any fiscal year, FTA requires audits to comply with OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". These audit reports must be received within nine months after the end of the recipient's fiscal year. The Section 5311 Program Manager tracks receipt of all audits .

All recipients whose total transportation budget exceeds \$50,000 must have an independent audit annually. Not-for-profit recipients whose total expense for the year is less than \$50,000 may request a field audit by MoDOT personnel in lieu of an independent audit.

The department will review the recipient's statement of revenues and expenses and independent audit and determine allowable Section 5311 funding. The project is then closed upon final financial adjustments.

The department is required to submit annual updates to FTA through their electronic grant management system (known as TEAM). The following is Multimodal Operations Procedure for Reporting Unliquidated Obligations for Federal Financial Reports (FFR):

1. When a grant is awarded by FTA and executed by MoDOT's Multimodal Operations Director, a Program of Projects is given to the Financial Services Specialist by the Program Manager that provides scope-level detail of the budget for the grant.
2. With the grant's Program of Projects summary detail, the Financial Services Specialist will enter the total grant budget with scope detail into SAM-II (Financial Advantage, the State of Missouri Accounting System).
3. As agreements and contracts are commenced with sub-grantees and vendors, the value of those agreements and contracts will be entered into SAM-II as encumbered amounts which will be the amounts reported as the Federal or Recipient's Share of Unliquidated Obligations in the FFR .
4. As the agreements and contracts are disbursed, these amounts will be reported as expenditures and reported in the FFR category of Total Expenditures.
5. Taking the total amount of the grant, then deducting the expenditures and Unliquidated Obligations, will give the amount of the Unobligated Balance of Federal Funds, which will include the grant scope amount for State Administration.
6. When preparing the FFR's and before submitting them to FTA, the Financial Services Specialist will have the Program Managers review for accuracy the amounts that are reported in the FFR.

Within 90 days of final expenditure of all funds in a federal grant, MoDOT will submit a Federal Financial Report, final budget, and final program of projects through the TEAM system to FTA.

III. EQUIPMENT AND FACILITIES PROCUREMENT, MANAGEMENT AND DISPOSITION

All recipients must develop a written procurement policy that is in compliance with FTA Circular 4220.1, as amended.

At a minimum, each policy must contain the following requirements of Circular 4220.1, as amended::

1. five year limitations on rolling stock contract periods;
2. full and open competition;
3. prohibition again geographic preferences;
4. use of the Brooks Act for procurement of architectural and engineering services,; and
5. inclusion in all contracts of all required federal clauses.

In addition, the requirements of the “Common Grant Rules” should be addressed in the policy.

III-1 VEHICLES AND EQUIPMENT

MoDOT purchases all vehicles according to written procurement procedures and standards that comply with FTA Circular 4220.1, as amended. When other equipment is purchased locally, recipients are required to follow OMB Circular A-110 and FTA grant agreements, FTA Circular 4220.1, as amended, and local law. Transit staff will review recipients' procurement policies for compliance during the field trip inspection. All recipients must obtain titles on vehicles even if exempted from that requirement under state law.

All recipients are required to maintain an equipment file on all items whose original cost was \$5,000 or more. This file will contain inventory records that include, at a minimum, the following information:

- description;
- acquisition date;
- federal participation percentage
- condition
- serial number
- title
- source of property
- location;
- FTA grant number;
- cost,
- and disposition
 - method

- selling price
- date of sale

The file should also include the Section 5311 Capital Agreement and a copy of the original purchase order. MoDOT will retain possession of all titles, with MoDOT listed as first lien holder. No second liens may be placed on any federally funded vehicle except for vehicles purchased for intercity bus operators. The annual inventory process also accounts for vehicles sold requiring the grantee to include all disposition data relative to vehicle disposal.

An Annual Inventory and Certification Report must be submitted for the calendar year and are due February 28. The report should identify each vehicle, the grant number under which it was funded, the VIN and the odometer reading as of December 31. A member of the department will verify this inventory and inventory other equipment and inspect federally funded facilities biannually.

Maintenance: Grantees are responsible for ensuring each vehicle is maintained in accordance with vehicle manufacturers' standards and any neglect or misuse of equipment will be the responsibility of the local organization. Thus, grantees will be financially responsible if the vehicle or other equipment cannot be resold at its fair market value.

A maintenance program is required for all vehicles, facilities, and/or equipment purchased using federal funds. Maintenance records must be kept for individual items and/or major components (such for each vehicle or the heating/air conditioning system in a building). The records should include both routine (preventive) and demand maintenance.

All grantees must maintain the ADA accessibility of all vehicles and facilities. If accessible vehicles are not available (due to breakdown or accident), the grantee must either acquire accessible vehicles from other grantees or the service must be shutdown. While grantees are allowed to have a mix of vehicle types in their fleets, the number of accessible vehicles available for service during any time period must be adequate to meet demand.

III-2 USEFUL LIFE OF VEHICLES

Minimum standards for vehicle useful life are:

Vans, straight or modified - 100,000 miles
Mini-buses (body on chassis) - 100,000 miles
Medium Duty - 200,000 miles
Transit buses - 7 to 12 years, as determined by Altoona testing report

III-3 FACILITIES

All facilities purchased or constructed with federal assistance must follow the federal guidelines for procurement in Circular 4220.1 (as amended). A feasibility study must be completed for all facility projects, whether they are funded through the Section 5311 program or the Section 5309 Capital Program. (Also see Section VII-2.)

The feasibility study will evaluate the project's cost effectiveness and its effect on the environment, including noise, water quality, air quality, impacts on wetlands, flooding, navigable waters, endangered species, and ecologically sensitive areas. Feasibility studies may be funded from the Section 5311 state administration allocation, generally on an 80% federal/20% local basis.

All new construction or rehabilitation of an existing structure will meet requirements for local land use planning and zoning, relocation, traffic and parking, energy conservation, consideration of historic properties, and will place an emphasis on safety and security. A portion of Missouri lies in the New Madrid fault zone and all facilities must be constructed and/or rehabilitated to meet current seismic and ADA accessibility requirements.

III-4 INSURANCE

To protect the Federal interest of FTA funded property in the event of loss or damage, MoDOT requires the recipients to obtain replacement insurance coverage equal to the federal share of the fair market value of the project equipment and/or facility. Grantees must also carry liability insurance that meets state requirements. Self-insurance is permissible with prior approval by MoDOT. Proof of insurance is verified during the biennial project review.

III-5 DISPOSITION AND TRANSFER OF EQUIPMENT

Recipients will be required to dispose of all FTA

funded items under the conditions of the FTA grant contracts. MoDOT will permit the transfer of used FTA funded Section 5311 vehicles and equipment from one recipient to another. Transfer of vehicles will be in accordance with FTA policy on transferring capital equipment.

Grantees are required to submit a written request for disposal of a vehicle(s) or equipment they wish to dispose. The recipient must receive written authorization before disposing of the vehicle. If a recipient wishes to dispose of a vehicle before the end of its useful life (as set out in Section III-2), MoDOT must inspect the vehicle to determine if the useful life of the vehicle(s) or equipment has been reached prematurely, and seek concurrence from the FTA for the disposal.

A recipient may dispose of a vehicle at the end of its useful life in either of two ways:

1. A vehicle may be sold to a third party through a variety of approved processes, including advertised sealed bids, auto auction or the average of three competent appraisals.
2. A recipient may buy out the federal interest and keep the vehicle for other purposes. In this case the price to be paid by the recipient will be the average wholesale value of the vehicle as specified in the most recent National Automobile Dealers Association (NADA) Official Used Car Guide or The Official Bus Book Market Report. (See Section III-7 Division of Disposition Proceeds)

III-6 DISPOSITION OF FACILITIES

When a grantee no longer has use for a facility, the facility may be transferred to a local governmental entity or it may be sold. Sale proceeds may either be used to acquire another facility or the proceeds may be divided as outlined in the following section. Any disposition of FTA-funded property requires prior approval from MoDOT and FTA

III-7 DIVISION OF DISPOSITION PROCEEDS

If federally funded vehicles, equipment, or facilities are sold to a third party, the recipient may retain the local share percentage contained in the agreement with MoDOT (generally 20%). An additional \$225 may be retained on a vehicle to cover the cost of preparing the vehicle of

disposition (removing logos, signage, etc.) The balance must be paid to the department within 10 working days (see Appendix D).

If a recipient buys out the federal interest in a vehicle, the recipient must pay 80% of the NADA wholesale value to the department within 10 working days.

III-8 USE OF DISPOSITION PROCEEDS

MoDOT will use the disposition proceeds received to supplement the Section 5311 Program by assisting recipients with major repairs on federally funded vehicles. Grantees must apply for assistance before ordering the repairs to be made. Assistance is dependent upon funds being available and is not guaranteed to any recipient.

III-9 REPLACEMENT OF DISPOSED EQUIPMENT

Federally funded vehicle(s) or equipment disposed of before requesting replacement by application for federal funding will not automatically be considered eligible for replacement at a future time. Vehicles disposed of prematurely (See Section III-5) may also not be replaced at the discretion of the department. Vehicles purchased by the applicant and kept in active service will not be considered eligible for federal assistance as a replacement vehicle at a future date. In any given year that vehicle requests exceed the amount of funding available, replacement vehicles will be funded before expansion vehicles.

IV. CIVIL RIGHTS

IV-1 TITLE VI

Title VI of the Civil Rights Act of 1964 is a Federal law that protects individuals and groups from discrimination on the basis of their race, color, and national origin in programs and activities that receive Federal financial assistance. Reference to Title VI includes other civil right provisions of Federal statutes and related authorities to the extent they prohibit discrimination in programs and activities receiving Federal financial assistance.

Title VI compliance is defined as when the recipient has effectively implemented all of the Title VI requirements or can demonstrate that every good faith effort has been made toward achieving this end. MoDOT and all Section 5311 program recipients must meet these requirements.

All programs conducted by MoDOT and the Section 5311 program recipients must meet the requirements. Education, training, work opportunities, benefits, and provision of services are examples of programs that must meet the Title VI requirements, whether provided directly by the recipient or its agents, contractors, or other vendors.

Discrimination is defined as: an act (action or inaction) whether intentional or unintentional, through which a person or group, solely because of race, color, national origin, disability, sex, age or income status, has been otherwise subjected to unequal treatment or impact, under any program or activity receiving Federal financial assistance.

A complaint may be filed by any individual or group that believes they have been subjected to discrimination or retaliation based on their race, color, national origin, sex, age, disability or income status. The complaint may be filed by the affected party or a representative and must be in writing.

Section 5311 program recipients who feel they have been discriminated against by any MoDOT employee or its agent/contractor may contact MoDOT's External Civil Rights Office. A review will be made to determine if MoDOT has jurisdiction to investigate the issues raised. If MoDOT does not have jurisdiction, the complaint

will be forwarded to the appropriate agency. If MoDOT does have jurisdiction, the allegations will be investigated and an attempt will be made to resolve the matter. If violations are found and negotiations to correct the violation are unsuccessful, enforcement proceedings may be initiated to attain compliance.

In addition, any individual or group who believes they have been discriminated against by an employee of a Section 5311 program recipient or it's agent/contractor should first contact the Section 5311 recipient in writing. MoDOT should also be notified of the complaint within 5 working days.

MoDOT and the Section 5311 program recipients are prohibited from retaliating against any person because they reported an unlawful policy or practice, or made charges, testified, or participated in any complaint action under Title VI. If an individual or group believes they have been retaliated against, they should immediately contact MoDOT's External Civil Rights Office to report their allegation. Filing a complaint with MoDOT does not prevent an individual or group from seeking remedy through other resources.

Complaints should be addressed to:
External Civil Rights/Title VI Coordinator
P. O. Box 270
Jefferson City, MO 65102
573-526-2978

All applicants are required to execute the standard Civil Rights Assurances that are referenced in the Section 5311 Agreement and Handbook. The required Local Civil Rights Assurances are submitted to the department and kept on file. Recipients of Section 5311 assistance are monitored for civil rights compliance during the on-site review. . MoDOT , with FTA's concurrence, may withhold Section 5311 funds from any grantee whose policies and actions are deemed to be noncompliant. Any legal action filed against the grantee must be reported to MoDOT within 30 days.

IV-2 EQUAL EMPLOYMENT OPPORTUNITY

All applicants must agree to Federal Transit Administration equal employment requirements that are made a part of the Section 5311 Agreement. MoDOT requires an Equal Employment Opportunity program plan prepared in accordance with FTA Circular 4704.1 to be

submitted by Section 5311 recipients with 50 or more employees and who have received capital or operating assistance grants, or a combination thereof, in excess of \$1,000,000 in annual FTA funding, or in excess of \$250,000 of FTA planning funds, in the previous federal fiscal year. Recipients are monitored for compliance during field inspections.

IV-3 DBE PROGRAM

The Disadvantaged Business Enterprise Program is designed to provide equal opportunity for minority- and women-owned companies to compete and perform on contracts. See Section VII-8 for a full description of this program.

IV-4 SECTION 504 AND ADA

All grantees will be required to comply with all regulations concerning equivalent service and access to individuals with disabilities as defined by Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1991.

Public entities are required to annually certify they have sufficient accessible vehicles to meet the ADA requirements for equivalent service. The certificate is included in the Section 5311 funding application.

Entities Operating Fixed Route Systems Entities, whether public or not-for-profit, operating a fixed route system, must purchase vehicles that are readily accessible and usable by individuals with disabilities. Entities operating fixed route systems are also required to provide complementary paratransit services that meet the requirements of "Public Entities Operating Demand Response Systems". Providers must develop Complementary Paratransit plans that provide for service to anyone within a ¼ mile radius of the fixed-route who is not able to access the fixed-route service. Providers may require a rider to qualify for the service. The plan must be developed with public input and reviewed annually to assess its effectiveness. .

Public Entities Operating Demand Response Systems Both accessible and non-accessible vehicles may be utilized in providing this service depending upon the clients served. Public entities operating demand response systems with non-accessible vehicles must meet the requirements of 49 CFR 37.77. The service

must provide equivalent service to individuals with disabilities based on the following criteria: 1) response time, 2) fares, 3) geographic area of service, 4) hours and days of service, 5) restrictions or priorities based on trip purpose, 6) availability of information and reservations capability, and 7) any constraints on capacity or service availability.

Not-for-profits and other Private Providers Operating Demand Response Systems

Providers may acquire both accessible and non-accessible vehicles if they meet the requirements of 49 CFR Section 37.105 in providing equivalent service to individuals with disabilities. Evaluation of equivalent service will be based on the following criteria: 1) response time, 2) fares, 3) geographic area of service, 4) hours and days of service, 5) availability of information, 6) reservations capability, 7) constraints on capacity or service availability, and 8) restrictions priorities based on trip purpose.

The status of the lead agency in a transit project determines what service must be provided and what vehicles may be purchased, i.e. a public entity that contracts with a private not-for-profit to provide service must comply with the requirements for public entities.

IV-5 ENVIRONMENTAL JUSTICE

Facilities: All new construction or rehabilitation of an existing structure will take into consideration the needs of the community's minorities and low-income populations. While Section 5311 facility projects will generally not have a significant impact on a community, adverse effects will be considered to community cohesiveness, destruction or disruption of public or private service, change in employment opportunities, traffic and parking issues, environmental quality, and historic structures.

All grantees must also consider the needs of minorities and low-income populations when establishing routes, service areas, and hours of operation.

IV-6 LIMITED ENGLISH PROFICIENCY (LEP)

MoDOT's External Rights Office is responsible for monitoring the existence of populations within the state who may have limited English proficiency. The department completes a four-

factor assessment that includes: 1) the number and/or proportion of LEP populations within the service population, 2) frequency that these populations need service, 3) service provided by the department, and 4) resource available to MoDOT to meet their needs.

Recipients are responsible for monitoring this issue on a local level within their service area. Recipients whose service areas include populations with limited English proficiency must develop and implement strategies to make the service accessible to those populations. Translator services, language instruction for dispatchers and drivers, and bilingual advertising and signage are examples of those strategies.

V. PRIVATE SECTOR INVOLVEMENT

V-1 PARTICIPATION BY PRIVATE PROVIDERS

Private providers are made aware of proposed projects through the required notices of public hearings. The charter bus and school bus provisions of local project agreements protect charter bus and school bus operators.

Local organizations are encouraged to use private providers in their Section 5311 projects to the greatest extent possible. The department has developed standard procedures for soliciting private bids and executing subcontracts (see Section I-7). Local projects that make use of taxi services are also encouraged.

V-2 CHARTER BUS AND SCHOOL BUS REGULATIONS

Recipients are required to adhere to FTA's Charter Bus and School Bus Regulations. The Section 5311 Agreement and Handbook contain references to these regulations and appropriate assurances are included. The department monitors compliance.

Charter services are generally identified as those where: a) a third party contracts with the operator for exclusive use of a vehicle for transporting the third party's clients or any specified group of individuals; b) a group of individuals secure exclusive use of a vehicle for their use; or c) unreserved services that are limited to members of a particular group and are not open to the public at large on a first-come

first-served basis.

Charter Exceptions Any charter service provided which uses federally funded equipment or facilities must not result in a reduction of regular Section 5311 operations. Expenses incurred by the charter operation must be fully recovered by charter revenues and any excess must be counted as revenue toward the Section 5311 operations.

49 CFR Part 604 contains the requirements and exceptions for providing charter service and is attached to this plan as Appendix P.

School Bus Section 5311 recipients are prohibited from providing exclusive school bus service unless the service qualifies, and is approved by the FTA Administrator, under an allowable exception. Federally funded equipment or facilities cannot be used to provide exclusive school bus service. Head Start transportation is considered a human service program and is not defined as school bus service.

Recipients may provide transit tripper service. Tripper service is regularly scheduled mass transportation service open to the general public, which is designed or modified to accommodate the needs of school students and personnel. Such service must be open to the public, must serve regular transit stops, and must be delineated on route maps and schedules, and does not display school bus signs.

VI. PUBLIC INVOLVEMENT

VI-1 HOLDING PUBLIC HEARINGS AS PART OF APPLICATION PROCESS

All applicants are required to schedule and publish notice of a public hearing before the application can be submitted. For capital purchases including vehicles and equipment and for operating subsidies, the public hearing notice may contain the requirement that interested persons must contact the applicant at least three working days before the meeting if they wish to provide input or request information. If no requests are made, the public hearing may be cancelled.

For facility projects that have a substantial effect on the community, the public hearing must be held. Minutes must be taken and those minutes must be submitted to MoDOT. Detailed plans and specifications should also be made available for review at the applicant's place of business.

Each notice of public hearing concerning capital budgets must be advertised twice, once at least 30 days before the hearing, and once at least 7 days before the hearing. Public hearings concerning operating budgets only must be advertised at least 30 days before the hearing.

VI-2 SPECIAL PURPOSE PUBLIC HEARINGS

During the grant year, additional public hearings may be required. A public hearing must be held if:

1. The capital or operating budget is being revised by more than 25% of the original budget.
2. The grantee proposes to increase fares or decrease service more than 1) 25% on fixed-route service or 2) 50% on demand-response service

Public hearings advertised for the above purpose must be held at the appointed time whether or not anyone has requested to provide input before the meeting.

Each notice of public hearing must be advertised twice, once at least 30 days before the hearing, and once at least 7 days before the hearing.

VII. OTHER SPECIAL REQUIREMENTS

VII-1 BUY AMERICA REGULATIONS

The Buy America requirements apply to all FTA funded purchases of more than \$100,000, not just vehicles. Bidders are required to execute the Buy America certification at the time of bid submission. (For an RFP, the certification must be executed no later than the best and final offer submission.)

MoDOT conducts pre-award and post delivery vehicle audits as outlined in Conducting Pre-Award and Post-Delivery Audits for Bus Procurements. All bidders must submit a statement of domestic content with their bids. The statements are evaluated before bids are awarded. Domestic content is also reviewed when 1) more than 20 vehicles are purchased from one manufacturer, MoDOT conducts an inspection at the factory, and 2) every vehicle is inspected just prior to delivery. In addition, vendors must submit a post-delivery statement of domestic content for all vehicles. Steel, iron and manufactured products must be manufactured in the United States from domestic components. For rolling stock, final assembly must occur in the United States and the cost of components made in the United States must be greater than 60% of the cost of all components.

VII-2 CONSTRUCTION AND PURCHASE OF REAL PROPERTY/RELOCATION

Uniform Relocation Assistance
Real Property Acquisition
Historical Preservation
Environmental Protection

Applications for Section 5311 Assistance involving purchase of real property and relocation of persons will comply with all laws and regulations involving property acquisition, relocation of persons and/or businesses, environmental and historical preservation. The department provides specific assistance to guide the applicant through the land acquisition process (see Section III-3).

VII-3 SECTION 5333 (B) LABOR PROTECTION (formerly Section 13(c))

All applicants for Section 5311 Assistance are required to agree to the provisions of Section

5333(b) Labor Protection Special Warranty annually. Both the Section 5311 Agreement and Handbook contain assurances referencing Section 5333(b). All Section 5333(b) assurances are forwarded to the U. S. Department of Labor as required.

VII-4 CONFLICT OF INTEREST

All applicants are required to develop and implement policies that ensure proper use of project funds, facilities and equipment including policies on personal gain by staff or board members, employment of relatives, or preferential operation of project services.

VII-5 ROLLING STOCK AUDIT AND INSPECTION

MoDOT staff will conduct all rolling stock audits required by FTA. Recipients are required to maintain a log on each vehicle detailing repairs and preventive maintenance. Department staff will inspect vehicles for condition, cleanliness, presence of safety equipment including, but not limited to, first aid kits, blood borne pathogens kits, seat belt cutters, and fire extinguishers. Lift equipment and wheelchair restraints will also be inspected.

VII-6 ANTI-LOBBYING AND DEBARMENT AND SUSPENSION

Lobbying MoDOT and all applicants will be required to abide by FTA's requirements regarding anti-lobbying restrictions. Recipients may not use federal funds for lobbying purposes. Grant recipients whose federal funds exceed \$100,000 in any one year are subject to reporting requirements if any non-federal funds are used for lobbying.

Debarment and Suspension Recipients of federal funds may not transact business with anyone who has been debarred and/or suspended from doing business with the federal government. Recipients are responsible for researching that potential contractors and/or subgrantees are not debarred and/or suspended; a list of entities that have been debarred and/or suspended is available at <http://epls.arnet.gov>.

VII-7 DRUG AND ALCOHOL TESTING

All recipients are required to comply with FTA's

requirements for drug and alcohol testing (49 CFR Parts 655 and Part 40). Recipients and their contractors who employ safety sensitive personnel (excluding safety sensitive contract maintenance personnel) will have written drug and alcohol policies as required by FTA. Recipients and their contractors will allow MoDOT designated personnel review the drug and alcohol program records for compliance. Recipients are required to complete FTA's Management Information System (MIS) forms online annually. Reports are based on the calendar year.

VII-8 DISADVANTAGED BUSINESS ENTERPRISE PROGRAM (DBE)

MoDOT has developed and implemented a plan to provide opportunities for disadvantaged businesses to participate in federally funded projects.

DBE Program Threshold Requirements: The U.S. DOT DBE regulations at 49 CFR 26.21(a)(2), and as subsequently amended and published in the Federal Register on June 16, 2003, require FTA recipients and sub-recipients who project awarding more than \$250,000 in federally-assisted prime contracts in a Federal fiscal year to have a DBE program. This change affects new recipients and sub-recipients or recipients and sub-recipients who do not have a DBE program. As MoDOT is considered the recipient for the Section 5311 program, all Section 5311 subgrantees must report their DBE activity. Prime contracts include contracts for goods as well as contracts for services. As defined by the Federal Acquisition Regulation, a "contract means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. Contracts would include bilateral instruments, awards and notices of awards; job order or task assignment letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants and cooperative agreements (FAR 1.101).

3. Accordingly, all documents issued by FTA recipients and sub recipients that include any of the instruments as described above for FTA-

funded capital, operating or planning assistance would constitute a prime contract, and thus would need to be calculated in the grantee's determination for meeting the basic \$250,000 threshold.

DBE information posted on MoDOT's website (www.modot.org) includes a handbook, Missouri Department of Transportation Disadvantaged Business Enterprise Program, and a directory of certified businesses that is published annually and updated on the web every two weeks. The website also lists contact information to obtain current DBE goals and other information.

Reporting Requirements: Semiannual reports will be submitted to the Section 5311 Program Manager using the Chart of Accounts listing the number of contracting opportunities, dollar amount of purchases, dollar amount of contracting opportunities, and number of contracting opportunities and the dollar amount of those opportunities that involved certified DBE contractors.

Reports will be submitted based on the Federal Fiscal Year; April through September's report is due December 1 and October through March's report is due June 1.

VII-9 ADDITIONAL REGULATIONS

Each recipient is required to complete an application that will be updated annually to ensure compliance with all federal regulations. MoDOT staff will be responsible for distributing up-to-date applications to each potential recipient and will make revisions to the agreements as necessary to comply with federal regulations, including, but not limited, to the following:

- Program Fraud
- Breaches & Disputes
- Clean Water
- Federal Changes
- Energy Conservation
- Incorporation of Federal Terms
- Termination Provisions
- Clean Air
- Privacy Act
- 3rd Party Obligations
- State & Local Law Disclaimer
- Acquisition of Private Mass Transportation Companies
- ITS Architectural Compatibility.

VII-10 REVISIONS TO THE PLAN

References to FTA and other federal and/or state regulations are current as of the date of the latest revision to this plan. MoDOT will administer the Section 5311 program according to the latest regulations. References to specific regulations will be considered revised accordingly without formal re-submission of the state management plan to FTA for approval. Any revisions will be listed in an appendix and sent to all Section 5311 providers.

Appendix A

Section 5311

Operator's

Manual

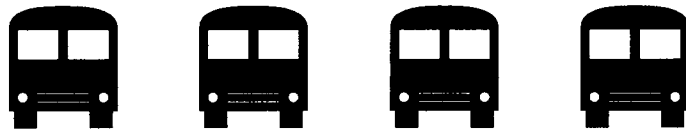




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INTRODUCTION

This manual is intended for organizations that receive funds under the Section 5311 program to assist in the day-to-day operations of their transit program. All new administrative employees should be furnished a copy for training and to use as a reference. In addition, the Section 5311 State Management Plan should be used to gain an overview of the program.

The Section 5311 Nonurban Transportation Assistance Program (Section 5311) provides financial assistance to improve transportation opportunities for the general public in nonurban areas of the state of Missouri.

The program is managed by the Missouri Department of Transportation, Multimodal Operations. The Transit section administers several other federal and state grant programs, including the following:

FEDERAL:

- Section 5303 provides funding planning to Metropolitan Planning Organizations in urbanized areas over 50,000 in population
- Section 5307 Urbanized Area Formula Assistance Program for urbanized areas with populations under 200,000
- Section 5309 Capital Program for the acquisition of bus and bus facilities in all areas of the state
- Section 5310 Elderly and Persons with Disabilities Program for the acquisition of vehicles for organizations that specialize in providing transportation for the elderly and/or disabled
- Section 5313(b) for planning activities in all areas of the state
- Section 5316 Job Access and Reverse Commute Program for work-related transportation for persons transitioning from welfare-to-work and other low-income persons
- Section 5317 New Freedoms Program for transportation services beyond ADA

STATE:

- Missouri Elderly and Handicapped Transportation Assistance Program (MEHTAP) for operating assistance for public entities and not-for-profits who provide transportation specifically for the elderly and/or disabled
- State Transit Assistance provides operating assistance for public entities and not-for-profits providing transportation in small urban and rural areas

Any questions about the manual's contents should be addressed to the Section 5311 program manager at the Missouri Department of Transportation. Revisions are provided yearly or more often, if needed. Section 5311 recipients are expected to keep this manual on file, with all copies updated, if it is to be of value to them.



PROVIDING SERVICE

PASSENGER TRANSPORTATION

There are several methods by which a Section 5311 recipient can provide service. Ownership of transit vehicles and system operation is the most common method. The Section 5311 program is intended to be flexible to meet the needs and resources of all recipients. MoDOT oversees the general administration of the programs only. Program particulars such as route selection or hours and/or days of service are left to the recipient.

The source of funding to provide the local match may determine the services to be provided. Transportation which serves primarily the elderly and/or disabled is considered general public transportation if it is marketed as such, i.e. a bus taking senior citizens to a nutrition center would also have to transport a member of the general public if space was available in the vehicle.

TRANSIT SYSTEM OWNERSHIP

Transit system ownership involves the purchase and operation of vehicles, hiring and training of drivers, and employing administrative staff to operate what is basically a small business. For public entities, the transit system may be a separate department or be part of another department such as Public Works, Transportation, Planning, or Community Development.

While ownership of a transit system is more complicated, it allows the Section 5311 recipient more flexibility in providing service and more control over the quality of the service provided.

PURCHASE OF SERVICE

For recipients who do not wish to take on operation of a transit system, there are two options: taxi coupons or contracting service with another Section 5311 recipient or private provider.

In a taxi coupon program, the Section 5311 recipient prints coupons that are then sold to the general public. The rider contacts the taxi company for a ride and presents the coupon to the driver. At the end of the accounting period, the taxi company presents the redeemed coupons to the Section 5311 recipient who pays the agreed upon cost for the rides provided. The Section 5311 recipient may advertise and solicit sealed bids for the service. Bids may be solicited for multiyear service but all contracts should be written for only one year with an option to renew, dependent upon available funding. Bids may contain "cost of operations" clauses that permit the cost of each ride to be adjusted if fuel or other costs rise sharply. Contracts must be executed between the Section 5311 recipient and the taxi company that include all state and federal regulations required of the Section 5311 recipient. Contracts should always have an expiration date and a clause that permits the Section 5311 recipient to cancel the contract (within 30 or 60 days) if funding is withdrawn.

The Section 5311 recipient also has the option of contracting with another transportation provider (either not-for-profit or for-profit) to provide services that may be based on an hourly rate, per mile rate, or per ride. The contract requirements mentioned above also apply. If another Section 5311 recipient is not used as the provider, the service must be awarded through the bid process.

OTHER SERVICES

Section 5311 recipients are also permitted to provide services such as package delivery and meal delivery on an incidental basis (less than 10%). The services must not result in a disruption or reduction of passenger transportation and the total cost must be borne by the nutrition center or other funding sources. Specialized vehicles and/or equipment may not be purchased with federal funds to provide the meal or package delivery.

INTERCITY BUS SERVICE

Section 5311 funds may also be used to subsidize intercity bus services provided by for-profit companies. The companies are required to provide the local match from cargo revenue, applied commissions, profits from non-subsidized routes, and contributions from municipalities who want to ensure that intercity bus service is available in their community.

PROHIBITED SERVICES

SCHOOL BUS SERVICE

Section 5311 recipients are prohibited from providing exclusive school bus service. However, transporting Headstart students is considered social service transportation and is permitted.

CHARTER BUS SERVICE

Charter and/or sightseeing service is transportation provided to a distinct group with no general public access on the vehicle to a specified destination(s). If a route is published in the schedule and the general public have access to the route, the service is not charter service.

Providing charter and/or sightseeing service is also prohibited except under certain conditions. As charter restrictions may be revised from time-to-time, if a request for charter service is received, contact the Section 5311 program manager before proceeding. Public notices may be required as well as obtaining waivers from the FTA.

CHANGE IN SERVICE

Changes in funding or service requirements may result in an operator having to revise schedules, service hours, or the cost of fares. A public hearing must be held if the changes will result in:

- a decrease greater than 25% in fixed-route service (whether in hours, days of the week, or routes);
- a decrease greater than 50% in demand/response service (whether in hours, days of the week, or routes): OR
- an increase in fares.

The hearing notice must be published twice, 30 days before the hearing and again 7 days before. The hearing must actually be held. Also see Public Hearing Requirements in the Grant Cycle Section. Public entities may schedule hearings in conjunction with city council/board of alderman regular meetings. Not-for-profit corporations may schedule them in conjunction with their regular board meetings. Every effort should be made to provide transportation to these meetings, i.e. if they are held in the evening, after regular service hours, special service should be provided for riders wishing to attend the meeting.

Changes in service that result in less than 25% reduction of fixed-route service or less than 50% reduction in demand/response must be posted in the vehicles and information distributed to regular riders at least 10 days before the change takes place.

The hearings must be held in an ADA accessible facility. If the hearing is scheduled during non-service hours, transportation must be provided; reservations may be required. No more than the standard fare may be charged.

FUNDING

There are a variety of funding sources available to Section 5311 recipients. Appendix E contains a list of most commonly received funds and their designation as federal, state, or local. If a funding source becomes available, and is not listed in Appendix E, the recipient should contact the state's Section 5311 program manager to determine the origin of the funds.

FEDERAL TRANSIT ADMINISTRATION

The Section 5311 Nonurban Transportation Assistance Program is a formula based program. Yearly appropriations are based on the state's population as determined by the latest census information available. This funding may meet up to 50% of the eligible operating costs. The funding must be matched with a combination of federal (non-DOT), state (non Mo-DOT), and local funds. Federal funds cannot make up more than one half of the match. Funds received through the JARC grant program (Section 3037) are FTA funds and cannot be used as match.

STATE TRANSPORTATION ASSISTANCE

The Missouri Legislature appropriates state transit funding which MoDOT allocates between urban systems and Section 5311 recipients. This funding can be used as match for FTA funds.

FARES

Fares may not be used as match and the amount of fares received must be deducted from the total operating expense to determine the net eligible operating expense deficit. Fares may be either 1) cash paid at the time of boarding the vehicle (rider fee) or 2) the price paid for a coupon that had to be purchased before riding. Revenue received for service purchased by human service agencies for their clients, whether in the form of a service agreement or ride coupons, is not considered fares. However, a rider fee or coupon paid for by an individual who is later reimbursed by a human service agency is still considered a fare.

OTHER FEDERAL FUNDS

A Section 5311 recipient may receive funding through other federal funding such as Medicaid, funds for the elderly (through the Missouri Department of Health and Senior Services), or Project Action.

OTHER STATE FUNDS

Funds received through Department of Social Services (DSS or DFS) such as TANF funds may be used to match FTA funds. Other state funding sources may include Department of Economic Development (CDBG funds), school districts, or the Departments of Corrections, Health, or Mental Health.

LOCAL FUNDS

Local funds are those that originate from a variety of sources. They may include private charities, civic organizations, cities, counties, property taxes approved by county residents, or direct fundraising. Donations (voluntary contributions) received from riders are considered local match. Local contributions must be included as operating revenue unless they are designated by the contributor as being reserved to be used as match for capital acquisitions.

THE GRANT CYCLE

The process for applying for Section 5311 assistance begins four to six months before the beginning of the period covered by the grant. The funding cycle is based on the Section 5311 recipient's fiscal year. The following sections refer to a grant year that begins on July 1 and ends June 30 of the next year. Recipients with a different fiscal year would simply move the dates up, or forward, as needed.

THE BUDGET

The application must contain a detailed operating budget that identifies administrative, maintenance, and operating expenses. A capital budget would also be included in the application if there are any capital needs. Expenses eligible for 80% reimbursement (drug & alcohol testing, back ground checks, driver physicals, and insurance other than health) should be shown separately.

OPERATING BUDGET

In February or March, budget preparation begins. By that time, a current recipient would have data pertaining to the first half of the year (July-December) and would use that data to project expenses for the upcoming year. Allowances would be made for expansion and/or contraction of service, expected funding, etc. Budgets submitted to MoDOT should be prepared using the Chart of Accounts shown in Appendix B.

CAPITAL BUDGET

The capital budget should list each item of equipment with an estimate of cost. The Section 5311 recipient may contact the program administrator for assistance with vehicle costs. If new vehicles are requested, they must be identified as being either replacement or expansion. An inventory of vehicles must also be submitted, identifying the vehicles to be replaced.

During the grant year, capital budgets may be revised, but major revisions or additions may require additional public hearings.

PUBLIC HEARING

All applicants are required to schedule a public hearing to solicit public input into the proposed project. A sample public hearing notice is included in the application mailed to the applicant and is also contained in Appendix F. To reduce publication costs, the notice should be kept as generic as possible, i.e. publish that "purchase of two vehicles at a estimated cost of \$50,000" is planned rather than "one station wagon at a cost of \$18,000 and one modified van, floor plan C, at a cost \$32,000" will be purchased.

The public hearing notice should contain the requirement that persons wishing to provide input must contact the applicant at least three working days before the meeting. For most ongoing projects, the public hearing never takes place as no public input is received. However, for those applicants who hold public hearings, that portion of the minutes of the meeting pertaining to the transportation program must be submitted to MoDOT.

The hearings must be held in an ADA accessible facility. If the hearing is scheduled during non-service hours, transportation must be provided; reservations may be required. No more than the standard fare may be charged.

Public hearings should be advertised based on the following schedule:

Funding request for operational assistance only	Publish once at least 30 days previous
Funding request for capital assistance (may also include operational assistance)	Publish once at least 30 days previous Publish second time at least 7 days previous
Increase in fares or decrease in service (See Change in Service in Providing Service section)	Publish once at least 30 days previous Publish second time at least 7 days previous Public Hearing <u>must</u> be held

SUBMITTAL OF THE APPLICATION

The Section 5311 program manager will provide a paper application for all current grantees approximately 120 days before the beginning of their fiscal year with the application due 30 days later.

ELEMENTS OF THE APPLICATION**THE TITLE PAGE**

The title page contains information about the applicant as well as summarizing the scope of the project and proposed funding. The title page is inserted as Appendix A to all agreements; the recipient should review this preprinted information each year to ensure accuracy.

THE CAPITAL BUDGET

See Page A-7.

VEHICLE ROSTER

If the proposed budget includes the acquisition of vehicles, a vehicle roster must be included that identifies what vehicles, if any, will be replaced.

COMMITMENT OF THE LOCAL SHARE

This document verifies that the recipient has the local funds available to pay the local share of any capital acquisitions. Funds do not have to be "in hand" but the recipient must verify that a source for the match has been identified and that commitments have been made to furnish that match. See section on Recordkeeping, Escrowed Funds.

VEHICLE REQUEST FORM

This form details the number and type of vehicles the recipient wishes to obtain. This information may also be included as part of the capital budget page.

OPERATING BUDGET

See Page A-7.

AUTHORIZING RESOLUTION/ORDINANCE

The governing board must review and approve the submittal of an application. Not-for-profits may submit resolutions but municipalities but submit ordinances. Quasi-public entities such as transit authorities are permitted to submit resolutions. The resolutions/ordinance may include a

clause that authorize the signature of any agreement issued by MoDOT in association with the application.

The resolution/ordinance must give the title of the person authorized to sign agreements.

LEGAL OPINION

Legal counsel for the applicant must verify the applicant is an entity eligible to receive the funds and that no impediments are present that would keep the applicant from successfully completing the proposed project. Legal counsel also verifies that the applicant is not involved in any litigation that might affect the project.

CIVIL RIGHTS

The applicant must certify that all applicable civil right laws will be followed.

EXHIBITS

The certifications and assurances are self-explanatory. Additional information may be obtained by referring to the section of the Code of Federal Regulations or FTA circular listed in each certification. Most of the exhibits require only a signature and date; a signature page is provided for some of the certifications to reduce paperwork. However, the exhibits pertaining to Labor and Public Hearing require additional documentation. The public hearing requirements are discussed above.

For Exhibits E – Drug/Alcohol and H – ADA, public entities and not-for-profit organizations complete different forms of the certification. Also, Exhibit T is required of public entities only.

Exhibits B, B-1, B-2 – Certifications for Department of Labor Section 5333(b) Warranty

Each applicant must research what effect the proposed project will have on other area transportation providers and their employees. This should be stated in a narrative as outline in Exhibit B. Exhibit B-1 is a certification that is passed on to the Department of Labor for approval along with Exhibit B-2. This exhibit should list all the transportation providers in the area (whether for-profit, not-for-profit, or public) and their union representation, if any. This page should also include the project for which the application is being made. The “project name” is the name under which the program operates if that is not the legal entity, i.e. CTA is the project name for a transportation system operated by the Cape Girardeau County Transit Authority.

APPLICATION REVIEW

The Section 5311 program manager reviews the application for compliance and notifies the applicant that either the application is complete or what revisions or additions must be made to the application. The program manager may also choose to issue agreements at that time, depending on the completeness of the application and if state and federal funding levels have been established. No funds may be disbursed until all the requirements for the application have been met.

THE AGREEMENTS

Three copies of the agreement between the applicant and the Missouri Highways and Transportation Commission are sent to the applicant for signatures. All three copies, with original signatures (no photocopies), are then returned to the program manager who obtains the other required signatures. The applicant then receives one copy of the fully executed contract for his/her files.

The governing boards of public entities must pass a resolution authorizing the highest official to execute the agreements and a copy of that resolution must be submitted to MoDOT with the agreements.

No funds may be disbursed until the agreements are fully executed.

THE GRANT YEAR BEGINS

The Section 5311 program administrator will furnish forms to be used by the recipient when requesting reimbursement. The forms are grant specific, with the project numbers changing each grant cycle. Old forms should be discarded each year. The Section 5311 program manager has developed electronic forms; they be updated as needed.

REQUESTS FOR REIMBURSEMENT

Requisitions for reimbursement may be submitted monthly, quarterly, or with special permission, semiannually. A detailed statement of expenses and revenue must accompany the requisition and not-for-profit recipients must also submit a cash calculation sheet. MoDOT may require operators to submit requisitions by a certain date to meet state fiscal year or other reporting deadlines. The Calculation Worksheet should also be submitted (part of the electronic reimbursement form provided by MoDOT).

OTHER ACTIVITIES

During the grant year, MoDOT may conduct field audits, provide both driver and administrative training, and inspect the equipment and facilities.

THE GRANT YEAR ENDS

At the end of each grant cycle, the Section 5311 recipient is required to submit 1) an itemized recap of all expenses and revenue for the year and 2) a copy of the independent audit. For recipients with annual budgets of less than \$50,000, MoDOT may choose to conduct a field audit in lieu of an independent audit.

The Section 5311 program manager will conduct an audit review based on the independent audit or the field audit. If additional funds are justified and grant funds remain, the additional funds will be paid to the recipient. Also, if the audit review reveals that audited expenses do not justify the grant funds paid previously, the recipient will be required to pay back those funds. Failure to do so will result in future funding being reduced or denied.

