



TDOT 2024 MONITORING PLAN

TDOT 2024 MONITORING PLAN

TABLE OF CONTENTS

General Section

TDOT Compliance Requirement Areas Monitoring Strategy	7
TDOT Grant Monitoring Cycle	9
TDOT Risk Assessment Strategy, Population Determination, and Sampling Strategy	9

Aeronautics Division

Compliance Area Responsibility Agreement	12
Introduction	15
Program Descriptions	15
Grant Monitoring Procedures	17
Staff and Organization	17
Risk Assessments	19
2023 Monitoring Results	20
Corrective Action Plan	20
Aeronautics Division Exhibit 1 – Invoice Checklist	22
Aeronautics Division Exhibit 2 – Inspection Report	23
Aeronautics Division Exhibit 3 – Risk Assessment Form	24
Aeronautics Division Exhibit 4 – WH347 Payroll Form	25

Civil Rights Division

Compliance Area Responsibility Agreement	27
Program Description – On-The-Job Training Program	30
Grant Monitoring Procedures	30
Staff and Organization	31
Risk Assessments	31
Civil Rights Exhibit 1 – Risk Assessment Form	32
2023 Monitoring Results	32

Corrective Action Plan	32
Program Description – National Summer Transportation Institute Program ...	33
Grant Monitoring Procedures	33
Staff and Organization	33
Risk Assessments	33
2023 Monitoring Results	33
Corrective Action Plan	34

Fiscal Monitoring Group

Grant Monitoring Procedures	36
Fiscal Exhibit 1 – General Section Guide	37
Fiscal Exhibit 2 – Detail Review Guide / Aeronautics	42
Fiscal Exhibit 3 – Detail Review Guide / Freight and Logistics	72
Fiscal Exhibit 4 – Detail Review Guide / Highway Beautification	100
Fiscal Exhibit 5 – Detail Review Guide / Local Programs	126
Fiscal Exhibit 6 – Detail Review Guide / Long Range Planning	152
Fiscal Exhibit 7 – Detail Review Guide / Multimodal	179
Risk Assessments and Sampling Strategy	214
Staff and Organization	215
Program Descriptions	215
2023 Monitoring Results	216
Corrective Action Plan	225
Review of Single Audits	226

Freight and Logistics Division

Compliance Area Responsibility Agreement	234
Background & General Description	238
Grant Monitoring Procedures	240
Staff and Organization	240
Risk Assessments	241
2023 Monitoring Results/Corrective Action Plan	241

Program Descriptions	241
----------------------------	-----

Highway Beautification Office

Compliance Area Responsibility Agreement	244
Background & Program Descriptions	246
Goal	246
Scope	247
Risk Assessments	247
HBO Exhibit 1 Risk Assessment	247
Grant Monitoring Procedures / Detailed Review Procedures	248
Ongoing Education	248
Staff and Organization	248
Site Visits	248
HBO Exhibit 2 – Site Visit Template	243
Guidelines	250
2023 Monitoring Results	250
Corrective Action Plan	250

Local Program Development Office

Compliance Area Responsibility Agreement	252
Introduction	256
Office Responsibilities	256
Grant Monitoring Procedures / Monitoring Guides	256
Staff and Organization / Staff Dedicated to LPDO Monitoring	258
Program Descriptions	258
Risk Assessments	262
2023 Monitoring Results / Corrective Action Plan	263

Long Range Planning Division

Compliance Area Responsibility Agreement	265
Introduction / Background	268

Federal Program	268
Program Descriptions / Programs Administered	269
Grant Monitoring Procedures	272
Risk Assessments	273
Staff and Organization	273
2023 Monitoring Results	273
Corrective Action Plan	273
Planning Exhibit 1 - CMAQ Risk Assessment Form	275
Planning Exhibit 2 - MPO Risk Assessment Form	277
Planning Exhibit 3 - RPO Risk Assessment Form	278
Planning Exhibit 4 - Research Risk Assessment Form	279

Multimodal Transportation Resources – Public Transportation / Multimodal Planning

Compliance Area Responsibility Agreement	281
Grant Monitoring Procedures	284
Staff and Organization	285
Program Descriptions	288
Risk Assessments / Risk Determination	291
2023 Monitoring Results	292
Corrective Action Plan	296
Multimodal Attachment A – TDOT Subrecipient Compliance Review Field Guide / Section 5310, 5311, 5316, 5317. 5339 CMP	299
Multimodal Attachment B – TDOT Subrecipient Compliance Review Notification Package	334
Multimodal Attachment C – TDOT Compliance Review Field Guide / Section 5310 Nonprofit Agencies and Senior Center Local Governmental Organizations.	343
Multimodal Attachment D – TDOT 5310 Compliance Review Notification Package	388
Multimodal Attachment E – Human Resource Agency Risk Assessment Form	398

Multimodal Attachment F – Non-Human Resource Agency Risk Assessment Form	407
--	-----

State Aid Roads and Bridges

Compliance Area Responsibility Agreement	417
Introduction	420
Office Responsibilities	420
Grant Monitoring Procedures / Monitoring Guides	420
Staff and Organization / Staff Dedicated to Monitoring	421
Program Descriptions	421
Risk Assessments	422
2023 Monitoring Results / Corrective Action Plan	423

Traffic Operations Division

Compliance Area Responsibility Agreement	425
Background and General Description	428
Grant Monitoring Procedures	428
Staff and Organization	429
Risk Assessments	429
2023 Monitoring Results and Corrective Action Plan	429

TDOT 2024 Monitoring Plan

General Section

This is the TDOT 2024 Monitoring Plan that is required of TDOT pursuant to Tennessee Comprehensive Rules & Regulations 0690-03-01-.27(7) and the State of Tennessee Central Procurement Office Policy 2013-007, Grant Management and Subrecipient Monitoring Policy and Procedures.

TDOT has grantees (agencies that receive State grant funding only) and subrecipients (agencies that receive Federal grant funding through TDOT). TDOT's monitoring approach involves monitoring both State and Federal funding in similar manners. Thus, TDOT's Monitoring Plan includes monitoring of both grantees and subrecipients. The terms grantee and subrecipient are used interchangeably throughout the monitoring plan.

TDOT Compliance Requirement Areas Monitoring Strategy

To ensure compliance with all monitoring requirements and to properly monitor for TDOT's unique and technical contract deliverables, TDOT's monitoring activities involve oversight and coordination by both TDOT Program Areas and TDOT Finance.

TDOT's monitoring approach involves dividing monitoring responsibilities by compliance requirement areas as identified in 2 CFR part 200, Appendix XI (the Compliance Supplement). In addition, TDOT includes Title VI/Nondiscrimination Compliance as a compliance requirement area for compliance with State of Tennessee Central Procurement Office Policy 2013-007.

To clearly define the separation of duties, the division of responsibilities in monitoring activities is agreed upon between TDOT Program Areas and TDOT Finance. The division of responsibilities is outlined in Compliance Area Responsibility Agreements signed by each TDOT Program Area and TDOT Finance. Copies of the Compliance Area Responsibility Agreement letters are included in this monitoring plan for each program area.

TDOT Program Areas

The TDOT Program Areas are listed below.

- TDOT Aeronautics Division
- TDOT Civil Rights Division
- TDOT Freight and Logistics Division
- TDOT Highway Beautification Office
- TDOT Local Program Development Office
- TDOT Long Range Planning Division
- TDOT Division of Multimodal Transportation Resources
- TDOT State Aid Roads and Bridges (new for 2024 due to reorganization /

previously part of Local Program Development Office)

- TDOT Traffic Operations Division

In general, the TDOT Program Areas monitor the following compliance requirement areas (there are slight variations in some program areas as seen in the Compliance Area Responsibility Agreement letters).

- Activities Allowed or Unallowed
- Wage Rate Requirements/Davis Bacon Act***
- Eligibility
- Reporting for programmatic reporting
- Special Tests and Provisions that apply to programmatic matters
- Title VI/Nondiscrimination

*** Note: In 2 CFR part 200, Appendix XI (the Compliance Supplement), compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. TDOT has decided to treat Wage Rate Requirements/Davis Bacon Act as a separate compliance requirement area to ensure that there is no confusion in the division of responsibilities in monitoring activities associated with Wage Rate Requirements/Davis Bacon Act.

In general, the compliance requirement areas are initially monitored by program staff through the awarding of contracts to grantees/subrecipients and through the initial program risk analysis. This risk analysis is then used by the Program Area to determine the level of monitoring that the entity will require by program staff.

Throughout the contract period, the primary aspects of the Program Areas' monitoring activities are accomplished by routine program/project management activities required of proper administration of contracts/programs/projects. Program Areas accomplish monitoring by a variety of activities including field visits, inspections, meetings, phone and email communications, and the review of required reports.

Finally, Program Areas review each invoice in detail to ensure that all costs and activities reported are eligible for reimbursement under that grant program and are within the scope of the contract. The signatures of the employee working in the TDOT program areas (titles vary, but generally a TDOT Project/Program Monitor/Manager) on the invoices indicate that the Program Areas have monitored for compliance in the compliance requirement areas (as agreed in the Compliance Area Responsibility Agreement letters).

TDOT Finance

In general, the Fiscal Monitoring Group (FMG) within TDOT, Division of Finance, External Audit Section monitors the following compliance requirement areas (there are slight variations in some program areas as seen in the Compliance Area Responsibility Agreement letters).

- Allowable Costs/Cost Principles
- Cash Management
- Equipment and Real Property Management
- Matching, Level of Effort, Earmarking
- Period of Performance
- Procurement and Suspension & Debarment
- Program Income

- Reporting for fiscal reports
- Special Tests and Provisions that apply to fiscal matters

The FMG's goal in monitoring is to provide further assurance of compliance with the monitoring requirement areas mostly associated with fiscal related requirements. The FMG determines the total population of grant/subrecipient payments on a quarterly basis. From the population, a sample is selected based on risk to identify the grantees/subrecipients and the contracts to be monitored by FMG.

TDOT Grant Monitoring Cycle

TDOT uses the Federal Fiscal Year of October 1st to September 30th to perform and report on monitoring activities.

TDOT Risk Assessment Strategy, Population Determination, and Sampling Strategy

TDOT's approach to monitoring differs from Policy 2013-007, Grant Management and Subrecipient Monitoring Policy and Procedures.

Policy 2013-007 requires State agencies to include in the monitoring plan 1) the total contract population for the monitoring cycle, 2) all contracts to be monitored in the monitoring cycle, and 3) a copy of a risk assessment for each grantee/subrecipient.

This presents a significant challenge to TDOT due to TDOT's grant environment. Not all grant contracts are known at the time of development of the monitoring plan. It is not possible to predict with any degree of certainty a projected population at the time of development of the monitoring plan. Since the total population is not known, it is not possible to properly sample and assign risk at the time of the development of the monitoring plan.

Points of conflict between Policy 2013-007 and the TDOT grant environment

- a. TDOT does not have a consistent annual grant period for all grants/contracts. For example, there are three separate contracting periods that are often represented in contracts.
 - i. Single Year – State Fiscal Year
 - ii. Single Year – Federal Fiscal Year
 - iii. Open ended – most with three to five-year contract periods
- b. Due to the unpredictability of not only when, but more importantly, IF payments will be made on a contract, TDOT Finance would need to wait until the final day of the monitoring cycle to determine if a grant will have sufficient spending to warrant monitoring.
- c. Due to the staggered nature of TDOT's grant periods, a significant number of grants/contracts may be added to the population during the monitoring cycle. This would require many updates be made to the monitoring plan and the assignment of additional monitoring work to the auditors and program areas to be included in the monitoring sample.
- d. Contracts with an undefined / multi-year payment period comprise

approximately 70% of the contract quantity and 90% of the dollars spent. This uncertainty creates an environment where it is practically impossible to create a sample and list of contracts to be monitored based upon the scenario advocated by Policy 2013-007.

- e. Due to the staggered nature of TDOT's grant periods and the variety of contract deliverables across the department, each TDOT Program Area performs risk assessments for their grantees/subrecipients. The TDOT program areas retain documentation of their risk assessments. The FMG performs a risk analysis for all grantees/subrecipients for fiscal monitoring purposes. The FMG retains documentation of their fiscal risk analysis.

TDOT FMG uses a sampling strategy to determine the agencies to be monitored. This approach uses an analysis of all actual historical payments made to grantees/subrecipients throughout the year. A sample is taken from all actual historical payments on a quarterly basis based on the fiscal risk analysis.

The details of how monitoring is accomplished by each Program Area is explained in the corresponding program sections of the TDOT Monitoring Plan. The details of how TDOT Finance monitors is explained in the corresponding Fiscal Monitoring Group section of the TDOT Monitoring Plan.

**PROGRAM MONITORING PLAN
FOR THE
DEPARTMENT OF TRANSPORTATION
AERONAUTICS DIVISION**

Submitted by:

John Briggs, Assistant Director
Aeronautics Division
Department of Transportation



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

FINANCE DIVISION
SUITE 800, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2261

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

Date: August 14, 2023

To: John Paul Saalwaechter, Director
TDOT Aeronautics Division

From: Carla Spann, Fiscal Director 1
TDOT Finance / External Audit

Re: Letter of Understanding for 2024 Grant/Subrecipient Monitoring Responsibilities
Between TDOT Aeronautics Division and TDOT Fiscal Monitoring Group

TDOT's grant/subrecipient monitoring activities involve oversight and coordination by TDOT program areas and TDOT Finance/Fiscal Monitoring Group. The purpose of this letter is to document the division of responsibilities in monitoring activities between TDOT Aeronautics Division and TDOT Fiscal Monitoring Group for the monitoring year of 2024 (October 1, 2023 – September 30, 2024).

TDOT's approach will involve monitoring both state and federal funding in a similar manner. The division of monitoring responsibilities will follow the compliance requirement areas identified in 2 CFR part 200, Appendix XI (the Compliance Supplement). In addition, monitoring will include Title VI/Nondiscrimination Compliance as required per the State of Tennessee Central Procurement Office Policy Number 2013-007.

For monitoring year 2024, the Fiscal Monitoring Group will issue a single department-wide report for each grantee/subrecipient monitored by the Fiscal Monitoring Group listing all grants/contracts that were monitored across all TDOT program areas.

In order to avoid duplication of efforts, the Fiscal Monitoring Group will not include testing in their work in the compliance areas identified as being reviewed by TDOT Aeronautics. Our review work will only include observed documentation to the effect that TDOT Aeronautics has performed the monitoring in the areas identified.

Compliance Requirement Areas

Activities Allowed or Unallowed – Monitored by TDOT Aeronautics

The approving signature of the TDOT Aeronautics employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has

verified that all items are allowable under the contract and all applicable federal and state regulations related to the grant/contract.

Allowable Costs/Cost Principles – Monitored by TDOT Finance/Fiscal Monitoring Group

Cash Management – Monitored by TDOT Finance/Fiscal Monitoring Group

Wage Rate Requirements/Davis-Bacon Act – Monitored by TDOT Aeronautics

Note: In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. However, TDOT will take the approach to monitor the Wage Rate Requirements/Davis Bacon Act as a separate compliance requirement area. This approach is being taken in order to ensure that there is no confusion in the division of responsibilities in monitoring activities.

This compliance requirement area will be applicable on certain construction projects. When this requirement is applicable, TDOT Aeronautics requires the airport authority under contract with TDOT to verify that pay rates are in compliance with prevailing local wage rates. In addition, the signature of the TDOT Aeronautics employee on the request for payment will indicate that he/she has reviewed this compliance requirement area.

Eligibility – Not Applicable

The Aeronautics grants/contracts are issued for the public good. There are no requirements related to individuals or organizations receiving eligible benefits.

Equipment and Real Property Management – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Aeronautics

This compliance requirement is not always applicable. When it is applicable, the Fiscal Monitoring Group will request a copy of the inventory records. The Fiscal Monitoring Group will monitor for compliance related to completeness/accuracy of the inventory records. If a field visit is performed, the Fiscal Monitoring Group will physically observe equipment (on a sample basis).

It should be noted that specific equipment and/or real property management procedures related to the Federal award and/or nature of the program should be monitored by the TDOT program area. The TDOT program area should review any required preventative maintenance procedures for compliance with applicable standards. In addition, since the Fiscal Monitoring Group does not always perform field visits, the TDOT program area should take the lead on performing physical inventory as required by 2 CFR 200.313. Any reporting on real property required under 2 CFR 200.329 will be monitored by the TDOT program area.

Matching, Level of Effort, Earmarking – Monitored by TDOT Finance/Fiscal Monitoring Group

Period of Performance – Monitored by TDOT Finance/Fiscal Monitoring Group

Procurement and Suspension & Debarment – Monitored by TDOT Finance/Fiscal Monitoring Group

Program Income – Monitored by TDOT Finance/Fiscal Monitoring Group

Reporting – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Aeronautics

The Fiscal Monitoring Group will monitor for compliance with financial reporting requirements required by contract language. TDOT Aeronautics will monitor for compliance with reporting

requirements that are programmatic in nature and with any specific reporting requirements related to the Federal grant and/or program (including reporting requirements under 2 CFR 200.328).

Note: The Annual and Final Reports (required in most grant contract language) will be considered programmatic reports monitored by TDOT Aeronautics. TDOT Finance/Fiscal Monitoring Group will continue to monitor the Disbursement Reconciliation and Close Out Report (required in most grant contract language) as a financial reporting requirement required by contract language.

Special Tests and Provisions – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Aeronautics

This compliance requirement is not always applicable. When applicable, the Fiscal Monitoring Group will monitor for any special tests and provisions that are fiscal in nature. TDOT Aeronautics will monitor for any special tests and provisions that are related to the Federal grant and/or are programmatic in nature.

Title VI/Nondiscrimination Compliance – Monitored by TDOT Aeronautics and TDOT Civil Rights Office

TDOT Aeronautics monitors for compliance with Title VI/Nondiscrimination during inspection processes. In addition, TDOT Aeronautics will work with the TDOT Civil Rights Office to monitor Title VI/Nondiscrimination if needed to ensure monitoring related to this compliance requirement area. The signature of the approving TDOT Aeronautics employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

If we have stated the procedures and documentation processes correctly, and you are willing to accept our assertions on your behalf in a single department-wide audit report, please sign below.

Thank you,



Carla Spann
External Audit Fiscal Director



John Paul Saalwaechter
Director of TDOT Aeronautics Division

INTRODUCTION

The Tennessee Department of Transportation, Aeronautics Division is dedicated to providing technical assistance to airports within the Tennessee airport system. The Division's role is to provide a wide range of services to local governments, airport authorities and local airport managers. This office is also the administrator for Tennessee's general aviation Federal State Block Grant Program. If the Aeronautics Division is unable to provide and meet the technical assistance the airport community needs, this office will work with the community to find the help needed.

PROGRAM DESCRIPTIONS

FUNDING PROGRAMS ADMINISTERED BY THE AERONAUTICS DIVISION

Transportation Equity Fund Program (TEF) / State General Fund

The Transportation Equity Fund and State General Fund appropriations have been used by the Department's Aeronautics Division to match federal and local funds to carry out state and federally mandated safety projects and programs at Tennessee's seventy-seven public use airports. The TEF and State General Fund appropriations are critical to maintaining and improving the high level of safety and efficiency of the State's nationally recognized airport system.

Funding for the TEF is generated from aviation fuel tax revenues. The TEF is a user fee fund -- aviation users paying for improvements to the Tennessee airport system. The state legislature from time to time appropriates funds from the state's General Fund to TDOT to support airports and aviation in the state. Multi-year projects, such as runway extensions, ramp re-constructions, drainage improvements and environmental documentation rely on the funding continuity of the TEF and state General Fund. Additionally, the state funds are used to support statewide automated airport weather observing systems, education and outreach programs, and airport maintenance for lighting, pavements, air-navigation equipment, and general upkeep.

These state funds along with the Federal State Block Grant helps in providing the State's airport project funding requirements.

Aeronautics Economic Development Fund

In 2016 the Tennessee State Legislature created the Aeronautics Economic Development Fund (T.C.A . 4-3-2313). TDOT Aeronautics Division is

responsible for administering the fund. The development strategy for this fund is to impact job creation and investment opportunities in Tennessee's aviation industry.

The aeronautics economic development fund is composed of: (1) Funds appropriated by the general assembly for the aeronautics economic development fund; and (2) Gifts, grants, and other donations received by the department of transportation for the aeronautics economic development fund.

Subject to the availability of funds each fiscal year, the Aeronautics Division will announce a call for applications for Aeronautics Economic Development Fund grants. Applications are reviewed and scored for economic impact in conjunction with the Tennessee Economic and Community Development Agency. Applications with the highest scores will receive grants until available funds have been obligated.

Federal State Block Grant Program (AIP/BIL)

In October 1997, Tennessee became one of ten states in the nation selected to participate in the FAA State Block Grant Program. As a participant in the Block Grant Program, Tennessee has the responsibility for deciding the distribution of federal apportionment funds for improvement projects at general aviation and non-primary commercial service airports. Primary benefits of the Block Grant Program are the ability to assess project justification based on local, regional, and statewide conditions and to adapt state, federal, and local funds to meet the immediate and future needs of our state aviation system.

Participating in the Federal State Block Grant Program requires the Aeronautics Division to implement certain responsibilities previously undertaken by the FAA Memphis Airports District Office. The Division fulfills all applicable environmental duties in accordance with the National Environmental Policy Act (title 42 U.S.C., § 4321, et seq.), as implemented by the Council of Environmental Quality (CEQ) Regulations, as well as any other applicable environmental statutes, regulations and executive orders identified and discussed in FAA Orders 1050.1 and 5050.4. The Division also provides technical assistance and coordination throughout the development process. As an FAA Block Grant State, the Aeronautics Division is responsible for approving airport layout plans, accepting airport master plans, and assisting airport sponsors with compliance issues associated with the federal grant assurances.

GRANT MONITORING PROCEDURES

The Transportation Program Monitors in the Transportation Programming Section monitor grants through all phases of a project. Program Monitors review projects proposed by airport sponsors at Project Staff Reviews (PSR) and when presented to the Tennessee Aeronautics Commission (TAC) board meetings for approval. Once projects are approved by the TAC (Final Project Formulation” greater than or equal to \$50,000) or at PSR by the Aeronautics Director (all other projects), Program Monitors write the grant contracts and encumber funds as approved by the Director and/or TAC. Program Monitors then utilize a request for payment checklist to perform a desk audit with each request for payment reviewing/processing invoices for correctness, funding eligibility and procedures. At the completion of a project and/or when requested by the airport sponsor, Program Monitors close projects and recoup any Federal, State, and Local dollars remaining.

STAFF AND ORGANIZATION

Director – John-Paul Saalwaechter
Asst. Director – John Briggs

SECTIONS:

TRANSPORTATION PROGRAMMING – Brian Fedders, Transportation Manager 1

- 1 - Transportation Manager 1
- 1 - Transportation Program Supervisor
- 4 - Transportation Program Monitor 2* (1 Vacant)

ENGINEERING AND PROGRAM DEVELOPMENT – Christopher Starr, Civil

- Engineering Manager 2
 - 1 – Civil Engineering Manager 2
 - 1 – Civil Engineering Manager 1
 - 4 – Transportation Project Specialist Senior
 - 4 – Transportation Engineering S4* (1 Vacant)
 - 1 – Transportation Project Specialist (1 Vacant)
 - 1- Transportation Manager 1
 - 4 – Transportation Program Monitor 2* (2 Vacant)

DIVISION SECTIONS AND RESPONSIBILITIES

TRANSPORTATION PROGRAMMING – Responsibilities of this Section include, overseeing aeronautics programs, finance and grant management functions, and licensing of landing areas. To ensure compliance with State licensing regulations, public use airports are inspected annually. A report is submitted to the airport sponsor outlining safety violations identified

during the inspection. To help resolve deficiencies, safety inspectors work with airport sponsors and monitor safety violations for improvements. Airport inspectors also look for overall security awareness during the inspection and will report any discrepancies and/or recommendations back to the community. Data from the airport inspections may be provided to FAA to be used in the federal Airport Master Record (FAA form 5010-1) Program.

Transportation Programming responsibilities include:

- Providing assistance to parties with informal dispute resolution (federal compliance);
- Assisting airport sponsors with the financial aspects of proposed projects;
- Coordinating all phases of federal grants and state contracts;
- Reviewing/processing airport project requests;
- Providing guidance and assistance in requesting State and Federal subsidy;
- Assisting communities on funding eligibility, guidelines, and procedures;
- Establishing all grants and contracts for execution;
- Coordinating and establishing invoice payment arrangements with local communities; and
- Reviewing/processing invoices for correctness, funding, eligibility and procedures.

ENGINEERING AND PROGRAM DEVELOPMENT - This Section provides technical assistance and support to Tennessee airports for development and expansion of facilities. The assistance provided continues from project conception to the finished product, including project closeout. A further responsibility of this section is the review and approval of environmental documentation for compliance with NEPA, which are required for certain airport improvement projects. The following are additional services and assistance provided by this Section (but, services are not limited to these).

- Assisting communities on technical aspects of terminal and visual navigational aids and Global Positioning System (GPS) approaches;
- Working with communities on compatible land use planning on and off airport property;
- Coordination and review of Construction Safety Phasing Plans and Federal 7460-1 forms (Notice of Proposed Construction) for on-airport

development;

- Review preliminary studies or surveys and cost estimates for project feasibility and funding;
- Assist airport sponsors with development, coordination, and review of airport master plans, airport layout plan sets, and the airport Capital Improvement Plan;
- Review designs and costs prepared by consultants;
- Assist with property acquisition preparation and relocation assistance;
- Assist with scoping of work items, pre-bid and construction meetings, and review and approval of contractor's payment requests;
- Verify that all consultants and contractors are qualified;
- Visit work-site during construction to help avoid any FAA safety violations and to monitor the contractor's activities on the job-site;
- Coordinate with FAA's Civil Rights Office on all the Division's Disadvantaged Business Enterprise goals. Upon completion of each project, report back to FAA providing ultimate goal met;
- Review and approve environmental documentation, as required under applicable State and Federal laws or regulations, in accordance with FAA Orders 1050.1 and 5050.4;
- Coordinate with FAA reporting all comments to the State Historic Preservation Officer or the Advisory Council on Historic Preservation. Organize an investigation, if required, to meet the provisions of the National Historic Preservation Act of 1966;
- Review contractor payrolls (Form WH-347 or equivalent) to verify compliance with the Davis Bacon Act; and
- Monitor for compliance with Title VI/Nondiscrimination during inspection processes. In addition, TDOT Aeronautics will work with the TDOT Civil Rights Office to monitor Title VI/Nondiscrimination if needed to ensure monitoring related to this compliance requirement area.

RISK ASSESSMENTS

Aeronautics assigns a risk level to each subrecipient using a risk assessment form annually just prior to the end of the state fiscal year. Projects are assigned a risk level of Low, Medium, or High based on the evaluation of six factors: 1. Total contract funds available for grant, 2. Total number of grants/contracts the subrecipient has open, 3. Use of Annual Airport Maintenance Grant, 4. Previous audit results, 5. Effect of staff changes on project implementation and 6. Ability to provide local match for projects.

We include a verification of “Active” status in the SAM website for all federally awarded sub-recipients; ensure sponsors do not appear on the [Specially Designated Nationals \(SDN\) and Blocked Persons List](#) maintained by the Office of Foreign Assets Control within the U.S. Department of the Treasury; and ensure sponsors do not appear on the [Consolidated Sanctions List \(Non-SDN Lists\)](#) by the United Nations Security Council.

PRIOR YEAR MONITORING RESULTS

None.

CORRECTIVE ACTION PLAN

Our procedure for corrective action plans and decision letters is as follows:

Once a grantee has been monitored and there is a finding:

A report is sent to:

- The grantee
- Internal Audit
- Lance Goad of the Finance Office
- Program Area

The grantee is given no later than 30 days to submit a Corrective Action Plan to Fiscal Director 2 over the External Audit Division.

- When the grantee submits a Corrective Action Plan which is acceptable:
 - A copy is attached to their monitoring report and it is placed in a file.
 - A copy is given to the monitor for their work papers.
 - The Fiscal Director 2 issues a Management Decision Letter indicating the acceptance of the corrective action and any follow-up – if any – that will be advised.
- If the grantee fails to submit a plan, then a follow up is done.
- If the grantee submits a plan which is considered unacceptable:
 - Discussion usually occurs between the Fiscal Director 2, the monitor, and the grantee.
 - The grantee is notified that their plan is unacceptable, and they

must submit another Corrective Action Plan.

- This will continue until an acceptable Corrective Action Plan is derived.




Aeronautics Invoice Checklist

City: _____ Sponsor Name (if different): _____
 TAD Project Number: _____ Dates of Service: _____
 P.O. ID (Contract #): _____ Project Mgr: _____

- ☐ Local Share has been rec'd/verified Date verified: _____
- ☐ Signatures are on Supporting Docs Amount: _____
- ☐ Payment Terms = "00 " (pay now) on all AIP and MX invoices
- ☐ Figures are verified and checked for errors
- ☐ Verify Grant Contract is not expired & Dates of Service are within Grant Contract period
- ☐ Correct schedule is used
- ☐ Supplier ID# _____ Address Code: _____ Location Code: _____
- ☐ Payment request amount is correct in BCG BC Submission Date: _____
- ☐ Invoice number **(NOT the PO number)** AERO _____
- ☐ Invoice date verified _____
- ☐ Account Code is correct on all voucher lines _____
- ☐ Current PO balance matches Current Audit Sheet balance
- ☐ No negative balances were left on funding breakout of Audit Sheet
- ☐ Remittance Advice (on Payment tab)

Line	Dist.	Line Amount	Funding Breakdown	Receipt #
		\$		
		\$		0000
		\$		Voucher #
		\$		
		\$		00
		\$		
Comments:				
TOTAL: \$				

Processed by: _____ Date: _____

		Tennessee Airport Inspection Report		Date of Inspection _____	
Airport Name _____			Point of Contact _____		
Airport Sponsor _____			Email _____		Primary Phone # _____
<u>RUNWAY</u>			<u>PART 77</u>		
Rwy # ____ / ____ Length: _____ Width: _____			Rwy End: _____ Rwy End: _____		
Surface: _____ Condition: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Category: _____ Category: _____		
Markings Type: _____ Condition: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Approach Slope Violation: <input type="checkbox"/> 20:1 <input type="checkbox"/> 34:1 <input type="checkbox"/> None		
Markings Type: _____ Condition: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Approach Slope Violation: <input type="checkbox"/> 20:1 <input type="checkbox"/> 34:1 <input type="checkbox"/> None		
RWY # _____ Cracking: <input type="checkbox"/> Minor <input type="checkbox"/> Extensive			RWY # _____ Cracking: <input type="checkbox"/> Minor <input type="checkbox"/> Extensive		
Markings: <input type="checkbox"/> Faded <input type="checkbox"/> Peeling			Markings: <input type="checkbox"/> Faded <input type="checkbox"/> Peeling		
Seal Needed: <input type="checkbox"/>			Seal Needed: <input type="checkbox"/>		
Debris: <input type="checkbox"/>			Debris: <input type="checkbox"/>		
Fill Material: <input type="checkbox"/>			Fill Material: <input type="checkbox"/>		
Pavement Issue: <input type="checkbox"/>			Pavement Issue: <input type="checkbox"/>		
Remarks: _____			Remarks: _____		
<u>TAXIWAYS</u>			<u>LIGHTING</u>		
Surface Condition: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Rwy Lighting: <input type="checkbox"/> LIRL <input type="checkbox"/> MIRL <input type="checkbox"/> HIRL <input type="checkbox"/> None		
Cracking: <input type="checkbox"/> Minor <input type="checkbox"/> Extensive			Threshold Lights Correct: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NSTD		
Markings: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Rotating Beacon Operational: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> None		
Markings: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Lighting Control: <input type="checkbox"/> Pilot <input type="checkbox"/> Photocell <input type="checkbox"/> Manual		
Correct Signage: <input type="checkbox"/> Yes <input type="checkbox"/> No			Windcone: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Lighted		
Remarks: _____			Replace <input type="checkbox"/> Repair Support <input type="checkbox"/>		
<u>APRON/RAMP</u>			<u>NAVAIDS</u>		
Surface Condition: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Segmented Circle: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Paint <input type="checkbox"/> Repair		
Cracking: <input type="checkbox"/> Minor <input type="checkbox"/> Extensive			<u>INFRASTRUCTURE</u>		
Markings: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Hangars: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor		
Markings: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Security: <input type="checkbox"/> Gate <input type="checkbox"/> Cameras <input type="checkbox"/> None		
Tie Down Cond: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Fire Extinguishers: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Remarks: _____			At fuel farm: <input type="checkbox"/> Yes <input type="checkbox"/> No		
<u>APRON/RAMP</u>			Emergency Shutoff properly located: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Surface Condition: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Fence: _____ ft. tall <input type="checkbox"/> All <input type="checkbox"/> Partial		
Cracking: <input type="checkbox"/> Minor <input type="checkbox"/> Extensive			Mowing of airport: <input type="checkbox"/> Good <input type="checkbox"/> Poor		
Markings: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Terminal Building Condition: <input type="checkbox"/> Good <input type="checkbox"/> Poor		
Markings: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Title VI Poster located: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Tie Down Cond: <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor			Emergency Preparedness Manual: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Remarks: _____			Remarks: _____		

Program Development and Project Management Division | Office of Local Programs Sub-recipient Monitoring Risk Assessment Form

Agency Information

TDOT PIN #: _____

Project Description: Airport Improvement Program

Sub-recipient Name: _____ City/County: _____

Contact Person: _____

Agency Address: _____

Phone Number: _____

Risk Categories

1. Total contract funds available for grant

\$100,000 or less	\$100,001 – \$300,000	\$300,001 – \$500,000	\$500,001 – \$1,000,000	\$1,000,001 or more
1 point	2 points	3 points	4 points	5 points

Enter Points

2. Total number of Local Program grants/contracts the sub-recipient has open/active/let administered by Local Programs (including state let)

2	3 – 4	5 – 6	7 – 9	10 or more
1 point	2 points	3 points	4 points	5 points

Enter Points

3. Use of Annual Airport Maintenance Grant

Complete	Half/Or more than	Less than Half/None
0	3	5

Enter Points

4. Previous audit, were there reported material weaknesses on the Sub-Recipient

No	No Report	Yes
0 points	3 points	5 points

Enter Points

4. Effect of staff changes on project implementation

No Effect	Low Effect	Medium Effect	High Effect
0 points	1 point	3 points	5 points

1 Year = 5 points
2 Years = 3 points
3 Years = 1 point

Enter Points

5. On grants or contracts where the local community is required to deposit with the State their local match, was there a local funding problem before funds are received?

No	Yes
0 point	5 points

Enter Points

TOTAL RISK ASSESSMENT SCORE =

0

Risk Level - (0 - 15 = Low) (16 - 24 = Medium) (25 - 30 = High)

Program Development and Project Management Division - Office of Local Programs Sub-recipient Monitoring Risk Assessment Form

Risk Assessment Conducted by: _____

Title: Transportation Program Monitor

Date of Review: _____

Last edited: 1/17/2012

U.S. Department of Labor
Wage and Hour Division

PAYROLL
(For Contractor's Optional Use; See Instructions at www.dol.gov/whd/forms/wh347instr.htm)
Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.



NAME OF CONTRACTOR	OR SUBCONTRACTOR	ADDRESS	OMB No.: 1235-0008 Expires: 04/30/2021
PAYROLL NO.		FOR WEEK ENDING	PROJECT OR CONTRACT NO.

(1) NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER) OF WORKER	(2) IS EMPLOYEE OF CONTRACTOR OR SUBCONTRACTOR	(3) WORK CLASSIFICATION	(4) DAY AND DATE	(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS					(9) NET WAGES PAID FOR WEEK
							OT HOURS	FICA	WITH- HOLDING TAX	OTHER	TOTAL DEDUCTIONS	
			O									
			S									
			O									
			S									
			O									
			S									
			O									
			S									
			O									
			S									
			O									
			S									
			O									
			S									
			O									
			S									
			O									
			S									

While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) regulations at 29 C.F.R. § 5.5(a)(3)(i) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

Public Burden Statement

We estimate that it will take an average of 55 minutes to complete this collection, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, U.S. Department of Labor, Room 53502, 200 Constitution Avenue, N.W., Washington, D.C. 20210

(over)

**2024 PROGRAM MONITORING PLAN
FOR THE
DEPARTMENT OF TRANSPORTATION
CIVIL RIGHTS DIVISION**

Contact:

Jessica Starling, Director
TDOT Civil Rights Division
615-741-3681/Jessica.M.Starling@tn.gov



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

FINANCE DIVISION
SUITE 800, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2261

BUTCH ELELY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

Date: August 31, 2023

To: Jessica Starling, Director
TDOT Civil Rights Division

From: Carla Spann, Fiscal Director 1
TDOT Finance / External Audit

Re: Letter of Understanding for 2024 Grant/Subrecipient Monitoring Responsibilities
Between TDOT Civil Rights Division and TDOT Fiscal Monitoring Group

TDOT's grants/subrecipient monitoring activities involve oversight and coordination by TDOT program areas and TDOT Finance/Fiscal Monitoring Group. The purpose of this letter is to document the division of responsibilities in monitoring activities between TDOT Civil Rights Division and TDOT Fiscal Monitoring Group for the monitoring year of 2024 (October 1, 2023 – September 30, 2024).

TDOT's approach will involve monitoring both state and federal funding in a similar manner. The division of monitoring responsibilities will follow the compliance requirement areas identified in 2 CFR part 200, Appendix XI (the Compliance Supplement). In addition, monitoring includes Title VI/Nondiscrimination Compliance as required per the State of Tennessee Central Procurement Office Policy Number 2013-007.

For monitoring year 2024, the Fiscal Monitoring Group will issue a single department-wide report for each grantee/subrecipient monitored by the Fiscal Monitoring Group listing all grants/contracts that were monitored across all TDOT program areas.

In order to avoid duplication of efforts, the Fiscal Monitoring Group will not include testing in their work in the areas identified as being reviewed by TDOT Civil Rights Division. Our review work will only include observed documentation to the effect that TDOT Civil Rights Division has performed the monitoring in the areas identified.

Compliance Requirement Areas

Activities Allowed or Unallowed – Monitored by TDOT Civil Rights Division

The approving signature of the TDOT Civil Rights Division employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has verified that all items are allowable under the contract and all applicable federal and state regulations related to the grant/contract.

Allowable Costs/Cost Principles – Monitored by TDOT Finance/Fiscal Monitoring Group

Cash Management – Monitored by TDOT Finance/Fiscal Monitoring Group

Wage Rate Requirements/Davis-Bacon Act – Not Applicable

Note: In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. However, TDOT will take the approach to monitor the Wage Rate Requirements/Davis Bacon Act as a separate compliance requirement area. This approach is being taken in order to ensure that there is no confusion in the division of responsibilities in monitoring activities.

This compliance requirement area is not applicable to grants/contracts with the TDOT Civil Rights Division.

Eligibility – Monitored by TDOT Civil Rights Division

Equipment and Real Property Management – Not Applicable

This compliance requirement area is not applicable to grants/contracts with the TDOT Civil Rights Division.

Matching, Level of Effort, Earmarking – Monitored by TDOT Finance/Fiscal Monitoring Group

Period of Performance – Monitored by TDOT Finance/Fiscal Monitoring Group

Procurement and Suspension & Debarment – Monitored by TDOT Finance/Fiscal Monitoring Group

Program Income – Monitored by TDOT Finance/Fiscal Monitoring Group

Reporting – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Civil Rights Division

The Fiscal Monitoring Group will monitor for compliance with financial reporting requirements required by contract language. The Civil Rights Division will monitor for compliance with reporting requirements that are programmatic in nature and with any specific reporting requirements related to the Federal grant and/or program (including reporting requirements under 2 CFR 200.328).

Note: The Annual and Final Reports (required in most grant contract language) will be considered programmatic reports monitored by TDOT Civil Rights Division. TDOT Finance/Fiscal Monitoring Group will continue to monitor the Disbursement Reconciliation and Close Out Report (required in most grant contract language) as a financial reporting requirement required by contract language.

Special Tests and Provisions – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Civil Rights Division

This compliance requirement is not always applicable. When applicable, the Fiscal Monitoring Group will monitor for any special tests and provisions that are fiscal in nature. TDOT Civil Rights Division will monitor for any special tests and provisions that are related to the Federal grant and/or are programmatic in nature.

Title VI/Nondiscrimination Compliance – Monitored by TDOT Civil Rights Division

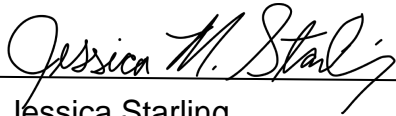
The approving signature of the TDOT Civil Rights Division employee on the request for payment will indicate that monitoring related to this compliance requirement area is satisfactory as it relates to the grant contract and this compliance requirement area.

If we have stated the procedures and documentation processes correctly, and you are willing to accept our assertions on your behalf in a single department-wide audit report, please sign below.

Thank you,



Carla Spann
External Audit Fiscal Director



Jessica Starling
TDOT Civil Rights Division Director

On-the-Job Training Program Description

The Civil Rights Division (CRD) does not currently have any grantees/subrecipients for its On-the-Job Training (OJT)/Supportive Services (SS) Program. Due to complications with securing resources, facility space, and eligible participants during the construction season, classes were not offered during Fiscal Year (FY) 2023, but the Division is currently exploring options for how to proceed with the Reentry Experience Advancement Partnership (REAP) program formerly known as the Highway Construction Technician Certification Program (HCTCP).

The OJT/SS Program is a Federal Highway Administration (FHWA) program created to complement the FHWA OJT Program. The OJT/SS Program is an incentive program designed to assist State Department of Transportation (DOT). Each State DOT is allocated a percentage of federal funds pursuant to a formula based upon the percentage of its annual federal-aid apportionment dollars. The objective is to train and upgrade the historical underrepresented groups, minorities, women, and/or disadvantaged persons, into the highway construction industry.

The REAP program teaches offenders marketable skills they can use both while incarcerated and post-release. These new capabilities make them valuable workers for construction industry companies and help them bridge the gap between prison and rehabilitation. This program supports the initiative to improve job opportunities for minorities, females and/or disadvantaged individuals and lowers the recidivism rate for graduates of the program.

Grant Monitoring Procedures

Once the grant is awarded, a meeting will be scheduled with CRD, TDOT Audit, and Grantee to ensure the grantee understands State and Federal guidelines and reporting responsibilities. All required federal and state registrations shall be current and active. All invoices are monitored as part of the payment process. An invoice shall only include requests for actual expenditures required in the delivery of services allowable under the contract and federal and/or state program governing the grant. In addition, these costs must be adequately supported and documented. On each invoice there is an approval signature and verification signature that indicates the costs submitted were reviewed and that all costs were allowable. A report detailing dates, trainer, organization, program, activities, contacts, hours spent, number of students and notes is to be submitted with each invoice for payment to support the requested reimbursement. (See below).



Name of Grantee:
Address
Phone Number

Reentry Experience Advancement Program

2022


DATES	TRAINER NAME	ORGANIZATION	PROGRAM	Activity	HOURS	NO. OF STUDENTS	NOTES

Staff and Organization

Monitoring will be conducted by the Affirmative Action (AA) Program Director with assistance from two AA Officers and verification by the CRD Director. All activities conducted, records, and reports that include, accomplishments, concerns, resolutions, improvements, efforts made to increase participation, training, and monthly site visits pursuant to the contract will be monitored. Two full-time AA staff members will review the information prior to the CRD Director's verification.

Risk Assessments

Each grant issued by the CRD is a reimbursement grant that requires supporting documentation for all expenditures. The risk of misuse of grant funding is minimal. Risk will be evaluated based on monitoring activities. CRD has a Risk Assessment Form to evaluate risk for all grantees. (*See below*)



TN DOT

Department of Transportation

2

Civil Rights Division

Monitoring Risk Assessment Form

Agency Information:

Grantee Name

Contact Person: Sherree Hall-Crowder → → Phone: 615.253.1073

Risk Categories

1. Total contract funds available for grant

\$400,000 or less = 1 pt. → \$400,001-\$600,000 = 2 pts. → \$600,001-\$800,000 = 3 pts.

\$800,001-\$1,000,000 = 4 pts. → \$1,000,001 or more = 5 pts.

2. What is the Division's experience with this subcontract?

This is a continuing contract = 1 pt.

This is a new contract, but the Division has had experience with other contracts with this subcontract = 3 pts.

The Division has inadequate experience to effectively rate this subcontract = 5 pts.

3. What is the subcontractor's years of experience with State/Federal Government contracts?

10 years or more = 1 pt. → 5-10 yrs = 2 pts. → 2-5 yrs = 3 pts. → 2 yrs. or less = 4 pts.

completely new = 5 pts.

4. Reimbursement Requests and Progress Reports submitted by the subcontractor are timely and accurate as stipulated in the contract

Almost Always = 1 pt. → Usually = 2 pts. → Seldom = 4 pts. → Rarely or Never = 5 pts.

5. Specific requirements or personnel have been put in place due to this subcontractor's overall performance

None = 1 pt. → Minor = 1 pt. → Moderate = 3 pts. → Substantial = 5 pts.

6. Size of staff being monitored

Very Small (1-2) = 5 pts. → Small (3-5) = 4 pts. → Moderate (6-8) = 3 pts.

Large (9-11) = 2 pts. → Very Large (Over 11) = 1 pt.

7. Changes in staff since last review

No changes = 0 pt. → Moderate changes-low turnover = 3 pts. → High turnover = 5 pts.

Total Risk Assessment Score

Risk Level → (0-16 = Low) → (17-25 = Medium) → (26-31 = High)

Risk Assessment conducted by:

TLS

Date of Review:

2023 Monitoring Results

CRD did not have monitoring results/corrective actions for FY 2023, as the program was not active during the reporting period.

Corrective Actions

Once a grantee has been monitored and there is a finding, a detailed report will be sent to the grantee, TDOT Audit and Finance, and Director of CRD. The grantee will be given 30 days to submit a Corrective Action Plan to the AA Program Director. If the submitted Corrective Action Plan is acceptable a copy will be attached to the monitoring report and filed on the AA program shared drive. If the plan is not acceptable the grantee will be notified, and they will be given another opportunity to submit an acceptable plan until an acceptable plan is derived. The grantee shall submit monthly progress reports to support the acceptable Corrective Plan.

National Summer Transportation Institute Program Description

National Summer Transportation Institute (NSTI) Program is administered by the Civil Rights divisions and hosted by an accredited institution of higher education. The length of the program must be 4 consecutive weeks. The grant is normally budgeted for \$50,000.

The NSTI program's objectives are to improve STEM (Science, Technology, Engineering, and Math) skills, provide awareness to middle and high school students (rising 9-12 graders). The NSTI program seeks to recruit twenty to twenty-five students (particularly minority, female and disadvantaged youth) to educate them on transportation careers and encourage participants to consider transportation-related courses of study in their pursuit of higher education.

Grant Monitoring Procedures

Once the grant is awarded, a meeting is scheduled with CRD and the Grantee to ensure the grantee understands State and Federal guidelines and reporting responsibilities. All required federal and state registrations shall be current and active. All invoices are monitored as part of the payment process. An invoice shall only include requests for actual expenditures required in the delivery of services allowable under the contract and federal and/or state program governing the grant. In addition, these costs must be adequately supported and documented. On each invoice there is an approval signature and verification signature that indicates the costs submitted were reviewed and that all costs were allowable. A report detailing dates, trainer, organization, program, activities, contacts, hours spent, number of students and notes is to be submitted with each invoice for payment to support the requested reimbursement.

Staff and Organization

Monitoring will be conducted by the Title VI Program Director with assistance from three Title VI Specialists and verification by the Director of Civil Rights Division (CRD). All activities conducted, records, and reports that include, accomplishments, concerns, resolutions, improvements, efforts made to increase participation, training, and daily site visits pursuant to the contract will be monitored. The Title VI Program Director and one Title VI Specialist will review all submitted documents (invoices and supporting documents) prior to the CRD Director's verification.

Risk Assessments

Each grant issued by the CRD is a reimbursement grant that requires supporting documentation for all expenditures. The risk of misuse of grant funding is minimal. Risk will be evaluated based on monitoring activities.

2023 Monitoring Results

Risk results are pending at the time of drafting the 2024 Monitoring Plan.

Corrective Actions

Once a grantee has been monitored and there is a finding, a detailed report will be sent to the grantee, TDOT Audit and Finance, and Civil Rights Division Director. The grantee will be given 30 days to submit a Corrective Action Plan to the Title VI Program Director. If the submitted Corrective Action Plan is acceptable a copy will be attached the monitoring report and filed on the Title VI Program shared drive. If the plan is not acceptable the grantee will be notified, and they will be given another opportunity to submit an acceptable plan, until an acceptable plan is derived. The grantee shall submit weekly progress reports to support the acceptable Corrective Plan.

**MONITORING PLAN
FOR THE
DEPARTMENT OF TRANSPORTATION
FISCAL MONITORING GROUP**

Contact:

Carla Spann
Fiscal Director 1 / External Audit
615-253-1040 / Carla.Spann@tn.gov

Grant Monitoring Procedures

The TDOT Finance Division does not administer grants. The Fiscal Monitoring Group (FMG) within the Division of Finance/External Audit Section is responsible for monitoring the compliance areas that are fiscal in nature across all the program divisions of TDOT.

Detail Review Guides

Since TDOT has taken a two-pronged approach to monitoring (monitoring by both TDOT Program Areas and FMG), monitoring of the fiscal compliance areas is the responsibility of the FMG. The division of responsibilities in monitoring activities is described in the Compliance Area Responsibility Agreement letters. To accomplish fiscal monitoring, the FMG uses a General Section guide and a Detail Review Guide (DRG) specific to the program area associated with the grant contract being monitored. The General Section is a guide that represents the initial set up, planning, and wrap-up of monitoring procedures for each grantee/subrecipient regardless of the program area administering the grant contract. The General Section is paired with a DRG that has been specifically designed for the program area that is the source of the grant contract being monitored. Contracts from multiple TDOT Program Divisions may be monitored at the same time with a single report issued for each grantee/subrecipient.

The General Section guide and DRGs used in 2023 appear on the pages that follow. All DRGs are maintained on file in TDOT/External Audit and are reviewed and updated at least annually. The 2024 General Section guide and DRGs are being updated in September/October of 2023.

Fiscal Exhibit 1 – General Section Guide

General Section for all Reviews - Monitoring Year 2023

*Enter the Subrecipient
Enter the Contracts*

TABLE OF CONTENTS

References

General Section.....G-1 - G-6
Planning, During Review Procedures, Draft Report, and Workpaper Review

Review Guides and Documentation:

Contract (enter number)

Contract (enter number)

Add contract lines as needed for each review.

The individual detail review guides are separate documents tailored to the applicable compliance requirement areas for each type of contract. Make sure the guide used is for the specific program-area contract.

General Section for all Reviews - Monitoring Year 2023

Enter the Subrecipient

Enter the Contracts

General Section - Complete this section before, during, and at the conclusion of the grantee/subrecipient monitoring engagement.

Monitoring Objectives

- To properly plan the review.
- To determine that the staff assigned to conduct the review collectively possesses the proficiency for the tasks required and are independent of the grantee/subrecipient.
- An understanding of internal controls has been obtained and considered in planning the review to determine the nature, timing, and extent of tests to be performed.
- Reportable conditions in the internal control structure, irregularities or illegal acts, and other matters related to the conduct of the review have been communicated to the appropriate party.
- The subrecipient's follow-up on prior audit and review findings made in prior reports has been determined.
- Working papers and the resulting report have been adequately reviewed.
- The monitoring review report has been distributed to all appropriate parties.

Planning Procedures	Initials	Date	WP Reference
<p>1. Obtain an initial overall understanding of the grantee/subrecipient, their operations, and their contracts with TDOT.</p> <p>a) Consider the type of organization in order to familiarize yourself with cost principle requirements – i.e., not-for-profit, local government, etc.</p> <p>b) Review the prior independent audit report and related financial information.</p> <p>c) Review the prior review working papers.</p> <p>d) Determine if there have been any personnel or organizational changes in the accounting or administrative divisions, which might affect or alter internal controls and/or financial reporting.</p> <p>e) Consider the method the grantee/subrecipient uses to process accounting information.</p> <p>f) Review the following records to become familiar with specific regulations and guidelines:</p> <p>1. Contract/grant agreements, amendments, and budget revisions. Document your review of the contract.</p> <p>2. Applicable federal and state regulations</p> <p>3. Applicable state policies and procedures</p> <p>g) Consider the extent of involvement in the current review, if any, of other independent auditors, program monitors, and internal auditors.</p>			

General Section for all Reviews - Monitoring Year 2023

Enter the Subrecipient

Enter the Contracts

h) Consider whether specialized skills are needed to conduct the review.			
2. Determine the availability of officers and employees in key positions for fieldwork. Note – This step can be omitted for a desk review.			
3. Schedule the review with the subrecipient/grantee. Prepare and send a copy of a confirmation letter. Note – This step can be omitted for a desk review.			
4. Determine that each monitor is independent relative to the monitoring engagement - each member of the review team should sign the Conflict of Interest form.			
During the Review Procedures	Initials	Date	WP Reference
5. Conduct an entrance conference. Discuss the purpose and scope of the review with the appropriate level of management/personnel. Explain any assistance and/or special information needed. Discuss any follow-up from prior review and/or audit findings, if necessary. Discuss the review timetable, number of staff assigned, workspace requirements (if a field review). Discuss the report issuance process.			
6. Review for compliance with 2 CFR part 200, Sections 200.318, <u>General Procurement Standards</u> , and 200.319, <u>Competition</u> : Are there written purchasing policies that at a minimum provide for: (1) conflict of interest, (2) avoidance of purchasing unnecessary items, and (3) open competition using competitive bidding? Do the purchasing policies meet the other specific grant or contract requirements?			

General Section for all Reviews - Monitoring Year 2023

Enter the Subrecipient

Enter the Contracts

7. Obtain and review the most current independent auditor's report. Based on the auditor's report on internal controls (if a Single Audit), management's assertions of processes, and the results of sample testing, does it appear that this agency's internal controls are adequate for this/these contract/contracts? <i>File report in this section.</i>			
8. Document the review of the most recent monitoring report to determine if any findings. If the same type finding is determined for the subrecipient in this review, include in report that this is a repeat finding. <i>If a finding report, copy and file in this section.</i>			
9. If any additional information is required from subrecipient for this review, file a copy of the letter requesting information.			
10. Conduct an exit conference with appropriate personnel to discuss any findings, and/or questioned costs.			
11. Prepare a draft report, file, and send to manager. Place the word "Draft" on front of report.			

Working Paper Review	Initials	WP Reference
1. Monitoring Manager Review.		

Fiscal Exhibit 2 – Detail Review Guide (DRG) / Aeronautics

**FISCAL MONITORING DETAIL REVIEW GUIDE
COMPLIANCE REQUIREMENT AREAS
AERONAUTICS
TABLE OF CONTENTS**

	Reference
I. Activities Allowed or Unallowed	I-1
II. Allowable Costs / Cost Principles	II-1
III. Cash Management	III-1
IV. Wage Rate Requirements / Davis-Bacon Act	IV -1
V. Eligibility	V-1
VI. Equipment and Real Property Management	VI-1
VII. Matching, Level of Effort, Earmarking	VII-1
VIII. Period of Performance	VIII-1
IX. Procurement and Suspension & Debarment	IX-1
X. Program Income	X-1
XI. Reporting	XI-1
XII. Special Tests and Provisions	XII-1
XIII. Title VI / Nondiscrimination Compliance	XIII-1

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

I. ACTIVITIES ALLOWED OR UNALLOWED

Monitoring Objectives

- To determine whether the activities of the program are allowable under the program regulations, laws, and provisions of the contract/grant agreement.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Aeronautics

Notes

- This Section is monitored by the program area. TDOT Aeronautics has stated that the approving signature of the TDOT Aeronautics employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has verified that all items are allowable under the contract and all applicable Federal and State regulations related to the grant/contract.
- The TDOT Fiscal Monitoring Group will include limited review procedures in Activities Allowed or Unallowed to support the efforts of the program area.

I. ACTIVITIES ALLOWED OR UNALLOWED	Initials	Date	W/P Reference
<p>1. Review documentation relevant to the review of the contract/program (program regulations, laws, contractual agreement, etc.) to identify the activities that are specifically allowed or prohibited.</p> <p>Document your review.</p> <p>The following information should be considered.</p> <ul style="list-style-type: none">- Does the contract contain Federal funding?- If the contract contains Federal funding, the specific requirements of the governing statutes and regulations are included in the Compliance Supplement Part 4 – Agency Program Requirements or Part 5 – Clusters of Programs, as applicable.- If the contract does not contain Federal funding, the scope of the contract should provide information on the types of activities required. Review the scope of contract and budget of contract to determine activities required.			
<p>2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Aeronautics program manager (or employee in equivalent position within TDOT Aeronautics) approved the invoices via an approval signature. The approving signature indicates that he/she has verified that all items on the invoice(s) are allowable activities.</p>			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

Document your review of the TDOT program manager's approval.			
3. Review invoices paid by TDOT during the year under review to determine if activities appear to be allowable under the program regulations, laws, and provisions of the contract/grant agreement. If testing is performed in conjunction with testing in another review section, please explain. Document your review.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that review objectives have been completed. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in I - Activities Allowed and Unallowed that do not appear elsewhere on a workpaper:

II. ALLOWABLE COSTS / COST PRINCIPLES

Monitoring Objectives

- To determine that costs reported under the program are allowable, adequately documented, and consistent with the provisions of A-102 Common Rule, the Federal awarding agency regulations, the State, TDOT, 2 CFR part 200, cost principles, and/or the terms and conditions of the award.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- The three cost principles are as follows:
 - 2 CFR part 225 - “Cost Principles for State, Local, and Indian Tribal Governments”
 - 2 CFR part 220 - “Cost Principles for Educational Institutions”
 - 2 CFR part 230 - “Cost Principles for Non-Profit Organizations”
- In general, Airport Improvement Program funds cannot be expended for:
 1. Passenger automobile parking facilities and portions of terminals that are revenue-producing or not directly related to the safe movement of passengers and baggage at the airports
 2. Costs incurred before the execution of the grant agreements, unless such costs are for land, necessary costs in formulating a project, or costs covered by letter of intent. However, an airport designated by the FAA as a primary airport may use passenger entitlement funding made available under 49 USC 47114(c) for costs incurred (1) prior to the execution of the grant agreement; (2) in accordance with the airport layout plan approved by the FAA; and (3) according to all statutory and administrative requirements that would have applied had work on the project not commenced until after the grant agreement had been executed (49 USC 47110(b)(2)(C)).
- The following are examples of items for which Airport Improvement Program funds cannot be expended pursuant to the FAA Order 5100.38D, *Airport Improvement Program Handbook* and FAA Advisory Circulars in the 150/5100 series.
 1. Emergency Planning
 2. Decorative landscaping, sculpture, or art works.
 3. Communication systems except those used for safety/security.
 4. Training facilities, except those included in an otherwise eligible project as an integral part of that project and that are of a relatively minor or incidental cost, i.e., less than 10 percent of the project cost. An example of an exception would be a training room included as part of a new Aircraft Rescue and Firefighting (ARFF) facility. Interactive training systems and “live fire” ARFF training facilities are eligible.
 5. Roads of whatever length, exclusively for the purpose of connecting public parking facilities to an access road.
 6. Roads serving solely industrial or non-aviation-related areas or facilities.
 7. Equipment that is used by air traffic controllers such as Airport surface detection systems (ASDE).
 8. Maintenance/service facilities except for those allowed to service required ARFF equipment.
 9. Office/administrative equipment, including data processing equipment, computers, recorders, etc.
 10. Projects for the determination of latitude, longitude, and elevation except as an incidental part of master planning.

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

- Airport Improvement Program Exception - For a non-hub airport (one that accounts for less than 0.05 percent of total U.S. passenger boardings), the FAA may approve as allowable costs the expenses of terminal development in a revenue-producing area and construction, repair, and improvement of parking lots (49 USC 47110(d)(2)).
- OMB issued final guidance on August 13, 2020, related to the procurement (using Federal funds) covered telecommunications equipment and services offered by various Chinese companies, including Huawei Technologies, ZTE Corporation, Hytera Communications, Hangzhou Hikvision Digital Technology, or Duhua Technology Company. Per 2 CFR 200.216(a), recipients and subrecipients are prohibited from obligating or expending loan or grant funds to 1 procure or obtain, 2 extend or renew a contract to procure or obtains, and 3 enter into a contract (or extend or renew) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of a system, or a critical technology as part of any system. The ban is not preventing subrecipients from using covered telecommunications equipment or services. It does prevent them from procuring such equipment or services with Federal grant funds. The prohibition applies to existing Federal awards as of August 13, 2020. The costs associated with procuring covered telecommunications equipment and services are unallowable under 2 CFR Part 200, Subpart E (Cost Principles).

II. ALLOWABLE COSTS / COST PRINCIPLES	Initials	Date	WP Reference
<p>1. Review documentation relevant to the contract/program under review in order to gain an understanding of the allowable costs of the contract/program.</p> <p>Examples of documentation may include:</p> <ul style="list-style-type: none"> - Fiscal manuals - Federal circulars - Federal and State regulations - Cost principles - Contract terms - Contract budgets / line items - Cost allocation plan - Indirect cost rate approval / documentation <p>Document your review.</p>			
<p>2. Design testwork to determine that costs are allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability.</p> <p>Document Testwork Document the selection method. List items and attributes tested.</p> <p>Testing may include review procedures to conclude that -</p> <ul style="list-style-type: none"> a) Costs represent charges for actual costs (not budgeted or projected amounts). 			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

<ul style="list-style-type: none"> b) Costs are given consistent accounting treatment (treatment of direct and indirect costs). c) Costs are calculated in conformity with GAAS or CAS. d) Costs are supported by appropriate documentation. e) Costs are allowable per regulations, cost principles, and/or circulars. f) Costs are paid in accordance with budgeted line items. g) Costs are within the contract term (period of performance). h) Indirect cost rates are applied in accordance with approved rates. i) Other – must design testwork that relates to program/contract. 			
3. If a provisional rate was used to invoice for indirect costs, determine whether a final rate has been established and appropriate claim adjustments have been made in accordance with contract terms.			
4. If applicable, determine if outside engineering is included in costs of the contract/grant. Test to determine if the engineering firm used the correct overhead rate on invoices paid by the subrecipient (based on approved rate for invoice period).			
5. Review the contract. Determine compliance with the contract related to retainage. The subrecipient and any contractor involved in the project should not withhold retainage on progress payments if the contract was issued in FY 2016 or after. Document your review.			
6. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in II – Allowable Costs / Cost Principles that do not appear elsewhere on a workpaper:

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

III. Cash Management

Monitoring Objectives

- To determine that the recipient/subrecipient followed procedures to minimize the time elapsing between the transfer of funds from TDOT and the pay out of funds for program/contract purposes.
- For reimbursement programs, to determine that program costs are paid for with subrecipient funds before reimbursement is requested from TDOT.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- All Aeronautics contracts should be cost reimbursement contracts.
- Some small airports may not be able to pay vendors/consultants until they are reimbursed by TDOT. The reason being is that many small Tennessee airports are operating without sufficient cash flow to have a true cost reimbursement situation when projects require large vendor/consultant contracts/invoices. TDOT has an understanding with Aeronautics not to question costs when the situation involves vendors/consultants with payments in excess of \$10,000 when the payment is made within 20 working days on state-only projects. See Step 3 for more information.

III. CASH MANAGEMENT	Initials	Date	WP Reference
1. Review documentation relevant to the contract/program under review in order to gain an understanding of whether or not the awards are funded on a reimbursement payment basis. Document your review.			
2. For cost reimbursement contracts, design testwork to determine that costs are paid with entity funds before reimbursement is requested from TDOT. Design testwork to determine that costs are allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability. Document Testwork. List items and attributes tested. If testing is performed in conjunction with testing in another review section, please explain. If contract is not cost reimbursement, testwork will have to be designed and performed to analyze the time elapsing between the transfer of funds and the pay out for the program/contract.			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

<p>3. On state contracts only, if invoice included amounts in excess of \$10,000 to vendors/consultants, determine if the vendor/consultant was paid within 20 working days of the subrecipient's payment/reimbursement deposit date (not a true cost reimbursement) if this was a state contract. Research deposit date via Edison (bank may take 1-2 days to process) and/or the subrecipient's bank statement. Research payment date made to vendor/consultant (may be check image).</p> <p>If this is performed in conjunction with testwork in another section, please explain.</p> <p>This procedure is to review for the timeliness of payments to vendors/consultants in excess of \$10,000. Some small airports cannot afford to have true cost reimbursement when they have large amounts to pay vendors/consultants on a project. TDOT will not question costs when payment is made within 20 working days on state only contracts. The auditor should research the situation, research the contract, and document in detail the review process.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in III – Cash Management that do not appear elsewhere on a workpaper:

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

IV. Wage Rate Requirements / Davis-Bacon Act

Monitoring Objectives

- To determine that laborer and/or mechanics working under a federal construction contract that exceeded \$2,000, were not paid less than the prevailing wage rates for the locality.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Aeronautics

Notes

- In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. TDOT has decided to take the approach to monitor Wage Rate Requirements/Davis-Bacon Act as a separate compliance requirement area. This approach is taken to ensure that there is no confusion in the division of responsibilities for monitoring.
- When this compliance requirement area is applicable, TDOT Aeronautics requires the airport authority under contract to verify that pay rates comply with prevailing local wage rates.
- The signature of the TDOT Aeronautics employee on the request for payment will indicate that he/she has reviewed compliance with Wage Rate Requirements/Davis-Bacon Act.
- For the Airport Improvement Program, the wage rate requirements are applicable to construction work for airport development projects (49 USC 47112).

IV. WAGE RATE REQUIREMENTS / DAVIS-BACON ACT	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract to identify if the program/project funded involves any federal construction. If there is not a federal construction contract, the following tests in this section do not apply. Document your review.			
2. If applicable, determine if the subrecipient has entered into a federal construction contract equal to or exceeding \$2,000.			
3. If applicable, review the invoices paid by TDOT during the year under review and determine if a TDOT Aeronautics program manager (or person in equivalent position within TDOT Aeronautics) approved the invoice(s) via an approval signature. The approval signature indicates that he/she has reviewed Wage Rate Requirements / Davis-Bacon Act. Document your review of the TDOT program manager's approval.			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			
--	--	--	--

Documentation of Review Procedures in IV - Wage Rate Requirements / Davis Bacon Act that do not appear elsewhere on a workpaper:

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

V. Eligibility

Monitoring Objectives

- To determine that program participants were determined to be eligible under the applicable program guidelines and remained eligible during the period.
- Amounts provided to or on behalf of eligible participants were calculated in accordance with program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- Not applicable

Notes

- TDOT Aeronautics has confirmed that its grants/contracts are issued for the public good. There are no requirements related to individuals or organizations receiving eligible benefits.
- The tests in this section should not be applicable.

V. ELIGIBILITY	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract/program to identify eligibility requirements. Document your review.			
2. If applicable, test a sample of program participants to ensure that applicable eligibility guidelines were met. Document your testwork, sample, method of selecting a sample, and results.			
3. If applicable, test to determine that contract requirements were met with regard to targeted program participant populations and/or area served. Document your testwork, sample, method of selecting a sample, and results.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in V - Eligibility that do not appear elsewhere on a workpaper:

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

VI. Equipment and Real Property Management

Monitoring Objectives

- To determine that the entity's policies and procedures with regard to the purchase of equipment are adequate and consistent with the State's guidelines.
- To determine that the entity maintains proper records and adequately safeguards and maintains equipment.
- To determine whether disposition or encumbrance of any equipment or real property acquired is in accordance with requirements and that the government (Federal and/or State) was compensated for its share of any property sold or converted.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Aeronautics

Notes

- Not all Aeronautics contracts involve the purchase of equipment.
- If applicable, TDOT Finance / Fiscal Monitoring Group will request a copy of policies and procedures related to equipment and real property management and a copy of inventory records.
- TDOT Aeronautics is responsible for any specific equipment and/or real property management procedures related to a Federal grant and/or related to the nature of the program.
- For the Airport Improvement Program, the FAA is authorized by 49 USC 47107(c), as amended, to allow recipients to reinvest the proceeds from the disposition of real property acquired with Federal awards for noise compatibility or airport development purposes.

VI. EQUIPMENT AND REAL PROPERTY MANAGEMENT	Initials	Date	WP Reference
<p>1. Refer to documentation relevant to the review of the contract to determine if equipment and/or real property was budgeted and purchased (in whole or in part).</p> <p>Equipment refers to tangible non-expendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. The limit of the acquisition cost is \$5,000 or more per unit for both the State and Federal level.</p> <p>Document your review.</p>			
<p>2. Review the invoices paid by TDOT for the year under review. Determine if any equipment and/or real property has been purchased from funding.</p> <p>If equipment and/or real property was purchased, do the following tests.</p>			
<p>a. Obtain a copy of the inventory record.</p> <p>For equipment purchases, obtain a copy of policies/procedures related to equipment maintenance and/or management (2 CFR part</p>			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

200.313 (d)).			
b. Does the inventory records include the minimal information that is specifically required by the contract and/or by the Federal regulations related to equipment property records in 2 CFR part 200.313(d) (if the contract involves Federal funding)?			
c. Identify equipment and/or real property purchases from the invoices paid by TDOT for the year under review. Trace equipment purchases to the property records. Ensure that equipment is included in property record. Inquire if any discrepancies are noted.			
d. From the property records, physically observe and inspect equipment purchased using contract funding. Document sample, if necessary. Document observation and inspection including observation of safeguards and maintenance. <u>Note:</u> This step can be omitted for a desk review.			
e. Determine if the agency has disposed of any equipment purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including equipment purchased through current and past contracts). If so, determine that dispositions were properly reflected on property records. And, review to ensure that appropriate steps were taken (if necessary) to reimburse TDOT for the government-interest in the equipment. The disposal of equipment must comply with 2 CFR 200.313 Note: This step may be omitted for a desk review except for verifying that disposal procedures followed 2 CFR 200.313. This is based on auditor judgement and agency risk. Document your reasoning.			
f. Determine if the agency has disposed of or converted use of any real property purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including real property purchased through current and past contracts). If so, determine that the Aeronautics division is aware of the disposition or conversion. Such dispositions and/or conversions should only take place under direction of TDOT Aeronautics. Document your review.			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

<p>The disposal of real property must comply with 2 CFR 200.311.</p> <p>Note: This step may be omitted for a desk review except for verifying that disposal procedures followed 2 CFR 200.311. This is based on auditor judgement and agency risk. Document your reasoning.</p>			
<p>3. If real property was acquired: Determine if appraisals and review appraisals were completed. Determine if any purchases for over 110% of appraised value were authorized. Determine if real property is being used for authorized purposes and has not been improperly disposed of.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in VI - Equipment and Real Property Management that do not appear elsewhere on a workpaper:

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

VII. Matching, Level of Effort, Earmarking

Monitoring Objectives

- To determine that the agency met the minimum requirements for local contributions to match the grant award or incurred the adequate level of expenditures borne by other sources of funds to meet the minimum requirements under the grant program.
- To determine that the agency met the minimum or maximum amount or percentage of the program funding that must be used for specified activities provided by the agency.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

VII. MATCHING, LEVEL OF EFFORT, EARMARKING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify requirements related to match (cost sharing), level of effort, and/or earmarking. Document your review.			
2. If a match and/or level of effort is required, perform the following tests.			
a. Review the contract and document the type and source of match required (match may be allowable costs incurred or contributions including cash and in-kind contributions). Review the contract and document the required level of effort. Document your review.			
b. Test transactions used to match with the allowable costs/cost principles requirements. This test may be performed in conjunction with testing of the requirements in II. Allowable Costs / Costs Principles.			
c. Calculate and determine if match requirements and/or level of effort requirements are met. Note: If the match includes contributions, determine if the values are reasonable, appropriately documented, and in compliance with 2 CFR part 200.434 (for Federally funded contracts).			
d. Inquire to determine if matching funds are from an allowable source. Note: State and Federal funds are not an allowable matching source for Aeronautics contracts.			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

3. If the contract under review contains an earmark, perform the following tests.			
a. Review documentation to determine the requirements associated with the earmark. Document your review.			
b. Design and perform testwork associated with earmark requirements. Earmarking requirements will vary. Document your testwork and review.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VII – Match, Level of Effort, Earmarking that do not appear elsewhere on a workpaper:

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

VIII. Period of Performance

Monitoring Objectives

- To determine that the grant funds were used during the period the funds were available.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

VIII. Period of Performance	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify the period of performance/availability of the funding. This should be the period the contract is in force. Document your review.			
2. Select a sample of transactions including those reported and paid by TDOT. If possible, include transactions from the beginning of the contract period. Vouch that the underlying obligations occurred during the period of performance/availability. Document your review. This may be a test attribute performed in another section.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VIII – Period of Performance that do not appear elsewhere on a workpaper:

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

IX. Procurement and Suspension & Debarment

Monitoring Objectives

- To determine that purchases were made in compliance with A-102 Common Rule, 2 CFR part 215, and minimum requirements of State and/or Federal guidelines specific to an award.
- To determine that that the no parties were suspended, debarred, or otherwise excluded from participating in the transaction.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- A detail review of the agencies' procurement/purchasing policies is performed in the General Section. The nature of the testing in the section relates to the specific procurement transactions.
- Per Federal regulations, the simplified acquisition threshold is the dollar amount below which an agency may purchase property or services using small purchase methods. The simplified acquisition threshold is set in 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 USC 1908.
- For procurement, under 2 CFR 200.320, if the contract with the engineer or the construction company or vendor is under the simplified acquisition threshold of \$250,000, then a full procurement file will not be required. Only enough to show that the process was followed such as an ad, proposal, or quotes for small purchases.
- On debarment and suspension: Federal Law (A-102 Common Rule and OMB Circular A-110) prohibits non-federal entities from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000 and all non-procurement transactions (e.g., sub-awards to sub-recipients). Contractors receiving individual awards of \$25,000 or more and all sub-recipients must certify that their organization and its principals are not suspended or debarred by a federal agency.
- OMB issued final guidance on August 13, 2020, related to the procurement (using Federal funds) covered telecommunications equipment and services offered by various Chinese companies, including Huawei Technologies, ZTE Corporation, Hytera Communications, Hangzhou Hikvision Digital Technology, or Duhua Technology Company. Per 2 CFR 200.216(a), recipients and subrecipients are prohibited from obligating or expending loan or grant funds to 1 procure or obtain, 2 extend or renew a contract to procure or obtains, and 3 enter into a contract (or extend or renew) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of a system, or a critical technology as part of any system. The ban does not prevent subrecipients from using covered telecommunications equipment or services. It does prevent them from procuring such equipment or services with Federal grant funds. The prohibition applies to existing Federal awards as of August 13, 2020.

IX. PROCUREMENT AND SUSPENSION & DEBARMENT	Initials	Date	WP Reference
--	----------	------	--------------

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

<p>1. Review the contract to determine if the terms of the grant/contract allow for reimbursement for the cost of goods, materials, services, supplies, and/or equipment. If not, these the tests for Procurement may not apply. Document your review.</p>			
<p>2. <u>Procurement</u> - If applicable, design testwork to review procurements over the simplified acquisition threshold for compliance with applicable regulations and guidelines.</p> <p>Document testwork.</p> <p>Document sample selection.</p> <p>Document review of contract/procurement files.</p> <p>Verify that procurements provide for full and open competition.</p> <p>Verify the agency followed procedures to review for debarment and suspension.</p> <p>This may be attribute testing that appears in another section.</p>			
<p>3. <u>Debarment and Suspension</u> – Review the grant/contract to determine that a debarment/suspension clause is included. By signing the grant contract, the grantee/subrecipient is agreeing to the terms. The grantee/subrecipient should not be debarred or suspended. The program area would have reviewed this at the time of contracting. The grantee/subrecipient is required to immediately notify TDOT of any change in status. A change in status can be reviewed during the monitoring.</p> <p>Per 2 CFR 200, Appendix XI (Compliance Supplement), this verification may be accomplished by (1) checking the System for Award Management (SAM) maintained by the General Services Administration (GSA):https://www.sam.gov/SAM/ and if it is not found either (2) collecting a certification from the entity, or (3) adding a clause or condition to the legal documents associated with the procurement and/or contract with the subcontractor.</p> <p>Document your review.</p>			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			
--	--	--	--

Documentation of Review Procedures in IX – Procurement, Suspension, and Debarment that do not appear elsewhere on a workpaper:

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

X. Program Income

Monitoring Objectives

- To determine if there is program income from operating the program funded by the State and/or Federal funds.
- To determine if program income is correctly determined, recorded, and used in accordance with governmental and program requirements.
- To determine if program income received was applied to reduce the program expenditures or used in accordance with Federal and/or State guidelines.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- Airport Revenue Diversion is tested in more detail in XII. Special Tests and Provisions.

	Initials	Date	WP Reference
X. PROGRAM INCOME			
1. Refer to documentation relevant to the review of the contract to identify if Program Income can be generated from the funding. Review Federal and/or State requirements associated with the recording and use of program income. Document your review.			
2. Inquire of management if program income has been generated by the State and/or Federally funded program. If applicable, determine how this income was received, identified, and recorded.			
3. Review subrecipient audits and internal financial statements for accounts that may capture fees, services, fines, seizures, forfeitures, etc. Summarize assessment.			
4. If applicable, design and document testing of program income. Test to determine that program income: <ul style="list-style-type: none">- was correctly determined/calculated- from allowable sources- properly recorded- used in accordance with 2 CFR section 200.307 and by program requirements.			
5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

Documentation of Review Procedures in X – Program Income that do not appear elsewhere on a workpaper:

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

XI. Reporting

Monitoring Objectives

- To determine if the grantee/subrecipient complied with all reporting requirements of the program, contract, regulations, and/or other specific required reporting requirements.
- To determine that the required reports include all activity of the reporting period, are supported by applicable accounting and/or performance records and are fairly presented in accordance with applicable regulations and/or program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Aeronautics

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for financial reporting requirements, and on closed contracts will monitor for the grant disbursement report. The report under C.7 is not required if the grant is cost reimbursement and does not have a local match requirement. Aeronautics has made the determination that the final invoice can also serve as the report under C.7 if the final invoice contains all the same information.
- TDOT Aeronautics will monitor for reporting requirements related to the Federal grant and/or Aeronautics' program and on closed contracts will monitor for the final report under Section D.18.
- Requirements for developing and submitting indirect cost rate proposals and Cost Allocation Plans are contained in Appendices III-VII of the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* as follows below.
 - (1) Appendix III to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
 - (2) Appendix IV to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations;
 - (3) Appendix V to Part 200—State/Local Government and Indian Tribe Central Service Cost Allocation Plans;
 - (4) Appendix VI to Part 200—Public Assistance Cost Allocation Plans; and
 - (5) Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals.
- Please Note – Per CPO Policy 2013-007, in the event that a federal requirement for cost rate proposals or Cost Allocation Plans conflicts with a state requirement, the federal requirement shall control.

XI. REPORTING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract and state agency policy to determine reporting requirements. Document your review.			
2. Identify the specific <u>fiscal</u> reports required by the contract.			
3. Select a sample of fiscal reports to test. Document the selection by listing the reports and attributes tested. Include attributes such as accuracy, timeliness, proper			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

reporting format, and/or adequacy of support.			
<p>4. Determine if the Department of Finance and Administration's Policy 03 Uniform Reporting Requirements are applicable for the contract/grant.</p> <p>Governmental and agencies operating <u>one</u> program only are not subject to the requirements.</p>			
<p>5. If Policy 03 is applicable, design testwork to determine compliance with Policy 03. Test to determine that:</p> <ul style="list-style-type: none"> - the authorized Policy 03 is being used - the Policy 03 reports are accurate, supported, and timely - there is a Cost Allocation Plan approved by a cognizant state agency. Secure a copy for the workpaper file. <p>Note - Costs reviewed in II – Allowable Costs / Costs Principles should be allocated to the program/contract in accordance with the Cost Allocation Plan.</p> <p>Document your testwork.</p>			
<p>6. Determine the methodology of accumulating and allocating indirect costs by reviewing cost allocation plans, approved indirect cost rates, and/or discussions with management. Test to determine that the indirect costs are being properly allocated to the contract/program.</p> <p>Document your testwork.</p>			
<p>7. Per contract language, provisional indirect cost rates may be used. Determine if the indirect cost rate used is provisional.</p> <p>If provisional, once the rate becomes final, the Grantee/Subrecipient is to remit any overpayment of funds or TDOT is to remit any underpayment (subject to availability of funding).</p> <p>If provisional, determine if a final rate has been approved. If a final rate has been approved, obtain documentation to verify any needed adjustments were made to account for the indirect costs paid via the provisional rate.</p>			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

Verify the documentation/calculations with prior invoices in Edison. Note: A final rate may not have been determined at the time of fiscal subrecipient monitoring. It will depend upon the contract and fiscal year end date.			
8. The Fiscal Monitoring Group is only responsible for monitoring reporting of a fiscal nature. If there are any specific reporting requirements related to the program, TDOT Aeronautics is responsible for monitoring. Review reporting requirements and discuss with management if there appears to be any uncertainty about the division of responsibility for monitoring.			
9. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XI – Reporting that do not appear elsewhere on a workpaper:

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

XII. Special Tests and Provisions

Monitoring Objectives

- To determine compliance with specific provisions related to the type of grant/contract being reviewed.
- To determine compliance with contract requirements not tested in another review section.
- For grant contracts under the Airport Improvement Program, determine that airport revenues were used for required or permitted purposes.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Aeronautics

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for special tests and provisions that are fiscal in nature.
- TDOT Aeronautics will monitor for any special tests and provisions that are programmatic in nature.
- For the Airport Improvement Program, information is located in FAA Order 5100.38D, *Airport Improvement Program Handbook* (available at https://www.faa.gov/airports/aip/aip_handbook/) and FAA Advisory Circulars in the 150/5100 series (available at https://www.faa.gov/airports/resources/advisory_circulars/). The FAA also maintains an Airports Federal Register Notices page available at https://www.faa.gov/airports/resources/publications/federal_register_notices/.
- For the Airport Improvement Program, the basic requirement for use of airport revenues is that all revenues generated by a public airport must be expended for the capital or operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the owner or operator of the airport and are directly and substantially related to the actual air transportation of passengers or property. The limitation on the use of revenue generated by the airport shall not apply if the governing statutes controlling the owner's or operator's financing, that was in effect before September 3, 1982, provided for the use of any revenue from the airport to support not only the airport but also the airport owner's or operator's general debt obligations or other facilities (49 USC 47107(b)). *Policies and Procedures Concerning the Generation and Use of Airport Revenue*, issued February 16, 1999 (64 FR 7695), contains definitions of airport revenue and unlawful revenue diversion; provides examples of airport revenue; and describes permitted and prohibited uses of airport revenue. The policy can be obtained from FAA's Airports Federal Register Notices page (http://www.faa.gov/airports/resources/publications/federal_register_notices/).

XII. SPECIAL TESTS AND PROVISIONS	Initials	Date	WP Reference
1. Design and perform tests for specific grant requirements that are not included in testing in Section I through XI.			
2. For the Airport Improvement Program – Review to determine that airport revenues were used for required or permitted purposes. a. Determine the revenue generating activities			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

<p>(e.g. passenger facilities charges, leases, telephone contracts, etc.)</p> <p>b. Inquire of management as to the uses of airport revenue.</p> <p>c. Review financial documentation to determine that revenues appear to be used for the purposes stated by management. This should include a review of revenue and expenditures. From the financial documentation, if there is any question, request clarification. Document your review.</p> <p>d. If revenue is used to pay sponsor, review documentation to determine costs paid by airport. Revenues used to reimburse sponsor costs (including indirect costs) must only include costs that would otherwise be allowable under 49 USC 47107(b). Documentation may include a contract and/or itemized invoice.</p> <p>Document your review.</p>			
<p>3. Specific Contract Requirements: Subcontracting – In Section D of most contracts there is specific language regarding subcontracting the service. Review for subcontracts. Did the subcontract(s) contain the required clauses?</p>			
<p>4. Specific Contract Requirements: Public Accountability – In Section D of most contracts there is a requirement to post a hotline number in relation to Public Accountability. Is that posted?</p> <p>Note – This step can be skipped in a desk review.</p>			
<p>5. Specific Contract Requirements: Public Notice – In Section D of most contracts, there is specific language to be included in public notices. Do public notices, pamphlets, press releases, etc include the required language?</p> <p>Note – This is an area that TDOT Aeronautics would review. This can be reviewed by TDOT Finance/ Fiscal Monitoring Group only if it is noted during monitoring activities. Testwork does not have to be designed to test for this requirement.</p>			

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

6. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			
--	--	--	--

Documentation of Review Procedures in XII – Special Tests and Provisions that do not appear elsewhere on a workpaper:

Aeronautics - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

XIII. Title VI / Nondiscrimination Compliance

Monitoring Objectives

- To determine that policies and actions taken by the grantee/subrecipient do not exclude any person from employment or participation/benefit of the program based on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal or State law or policy.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Aeronautics and TDOT Civil Rights Office

Notes

- TDOT Aeronautics monitors for compliance with Title VI/Nondiscrimination during inspection processes. TDOT Aeronautics works with TDOT Civil Rights Office as needed in monitoring related to this compliance requirement.
- TDOT Aeronautics has stated that the approving signature of the TDOT Aeronautics employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

XIII. Title VI / Nondiscrimination Compliance	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract/program to familiarize yourself with Title VI / Nondiscrimination compliance requirements.			
2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Aeronautics program manager (or employee in equivalent position within TDOT Aeronautics) approved the invoices via an approval signature. The approving signature indicates that compliance with monitoring in this compliance requirement are is satisfactory.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XIII – Title VI / Nondiscrimination Compliance that do not appear elsewhere on a workpaper:

Fiscal Exhibit 3 – Detail Review Guide (DRG) / Freight & Logistics

Fiscal Monitoring Detail Review Guide

COMPLIANCE REQUIREMENT AREAS

TABLE OF CONTENTS

	Reference
I. Activities Allowed or Unallowed	I-1
II. Allowable Costs / Cost Principles	II-1
III. Cash Management	III-1
IV. Wage Rate Requirements / Davis-Bacon Act	IV -1
V. Eligibility	V-1
VI. Equipment and Real Property Management	VI-1
VII. Matching, Level of Effort, Earmarking	VII-1
VIII. Period of Performance	VIII-1
IX. Procurement and Suspension & Debarment	IX-1
X. Program Income	X-1
XI. Reporting	XI-1
XII. Special Tests and Provisions	XII-1
XIII. Title VI / Nondiscrimination Compliance.....	XIII-1

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

I. ACTIVITIES ALLOWED OR UNALLOWED

Monitoring Objectives

- To determine whether the activities of the program are allowable under the program regulations, laws, and provisions of the contract/grant agreement.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Freight and Logistics Division

Notes

- This Section is monitored by the program area. TDOT Freight and Logistics has stated that the approving signature of the TDOT Freight and Logistics employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has verified that all items are allowable under the contract and all applicable Federal and State regulations related to the grant/contract.
- The TDOT Fiscal Monitoring Group will include limited review procedures in Activities Allowed or Unallowed to support the efforts of the program area.

I. ACTIVITIES ALLOWED OR UNALLOWED	Initials	Date	W/P Reference
<p>1. Review documentation relevant to the review of the contract/program (program regulations, laws, contractual agreement, etc.) to identify the activities that are specifically allowed or prohibited.</p> <p>Document your review.</p> <p>The following information should be considered.</p> <ul style="list-style-type: none">- Does the contract contain Federal funding?- If the contract contains Federal funding, the specific requirements of the governing statutes and regulations are included in the Compliance Supplement Part 4 – Agency Program Requirements or Part 5 – Clusters of Programs, as applicable.- If the contract does not contain Federal funding, the scope of the contract should provide information on the types of activities required. Review the scope of contract and budget of contract to determine activities required.			
<p>2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Freight and Logistics program manager (or employee in equivalent position within TDOT Freight and Logistics) approved the invoices via an approval signature. The approving signature indicates that he/she has verified that all items on the invoice(s) are allowable activities.</p>			

**Freight and Logistics - Detail Review Guide for Field and Desk Reviews
Monitoring Year 2023**

Enter Sub and contract number.

Document your review of the TDOT program manager's approval.			
3. Review invoices paid by TDOT during the year under review to determine if activities appear to be allowable under the program regulations, laws, and provisions of the contract/grant agreement. If testing is performed in conjunction with testing in another review section, please explain. Document your review.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that review objectives have been completed. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in I - Activities Allowed and Unallowed that do not appear elsewhere on a workpaper:

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

II. ALLOWABLE COSTS / COST PRINCIPLES

Monitoring Objectives

- To determine that costs reported under the program are allowable, adequately documented, and consistent with the provisions of A-102 Common Rule, the Federal awarding agency regulations, the State, TDOT, 2 CFR part 200, cost principles, and/or the terms and conditions of the award.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- The three cost principles are as follows:
 - 2 CFR part 225 - "Cost Principles for State, Local, and Indian Tribal Governments"
 - 2 CFR part 220 - "Cost Principles for Educational Institutions"
 - 2 CFR part 230 - "Cost Principles for Non-Profit Organizations"
- OMB issued final guidance on August 13, 2020, related to the procurement (using Federal funds) covered telecommunications equipment and services offered by various Chinese companies, including Huawei Technologies, ZTE Corporation, Hytera Communications, Hangzhou Hikvision Digital Technology, or Duhua Technology Company. Per 2 CFR 200.216(a), recipients and subrecipients are prohibited from obligating or expending loan or grant funds to 1 procure or obtain, 2 extend or renew a contract to procure or obtains, and 3 enter into a contract (or extend or renew) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of a system, or a critical technology as part of any system. The ban is not preventing subrecipients from using covered telecommunications equipment or services. It does prevent them from procuring such equipment or services with Federal grant funds. The prohibition applies to existing Federal awards as of August 13, 2020. The costs associated with procuring covered telecommunications equipment and services are unallowable under 2 CFR Part 200, Subpart E (Cost Principles).

II. ALLOWABLE COSTS / COST PRINCIPLES	Initials	Date	WP Reference
<p>1. Review documentation relevant to the contract/program under review in order to gain an understanding of the allowable costs of the contract/program.</p> <p>Examples of documentation may include:</p> <ul style="list-style-type: none">- Fiscal manuals- Federal circulars- Federal and State regulations- Cost principles- Contract terms- Contract budgets / line items- Cost allocation plan- Indirect cost rate approval / documentation			

Freight and Logistics - Detail Review Guide for Field and Desk Reviews
Monitoring Year 2023

Enter Sub and contract number.

Document your review.			
<p>2. Design testwork to determine that costs are allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability.</p> <p>Document Testwork Document the selection method. List items and attributes tested.</p> <p>Testing may include review procedures to conclude that -</p> <ul style="list-style-type: none"> a) Costs represent charges for actual costs (not budgeted or projected amounts). b) Costs are given consistent accounting treatment (treatment of direct and indirect costs). c) Costs are calculated in conformity with GAAS or CAS. d) Costs are supported by appropriate documentation. e) Costs are allowable per regulations, cost principles, and/or circulars. f) Costs are paid in accordance with budgeted line items. g) Costs are within the contract term (period of performance). h) Indirect cost rates are applied in accordance with approved rates. i) Other – must design testwork that relates to program/contract. 			
3. If a provisional rate was used to invoice for indirect costs, determine whether a final rate has been established and appropriate claim adjustments have been made in accordance with contract terms.			
4. If applicable, determine if outside engineering is included in costs of the contract/grant. Test to determine if the engineering firm used the correct overhead rate on invoices paid by the subrecipient (based on approved rate for invoice period).			
<p>5. Review the contract. Determine compliance with the contract related to retainage. The subrecipient and any contractor involved in the project should not withhold retainage on progress payments if the contract was issued in FY 2016 or after.</p> <p>Document your review.</p>			

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

6. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			
--	--	--	--

Documentation of Review Procedures in II – Allowable Costs / Cost Principles that do not appear elsewhere on a workpaper:

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

III. Cash Management

Monitoring Objectives

- To determine that the recipient/subrecipient followed procedures to minimize the time elapsing between the transfer of funds from TDOT and the pay out of funds for program/contract purposes.
- For reimbursement programs, to determine that program costs are paid for with subrecipient funds before reimbursement is requested from TDOT.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- All Freight and Logistics contracts should be cost reimbursement contracts.
- Some small railroads may not be able to pay vendors/consultants until they are reimbursed by TDOT. The reason being is that small railroads may be operating without sufficient cash flow to have a true cost reimbursement situation when projects require large vendor/consultant contracts/invoices. TDOT has an understanding with Freight and Logistics not to question costs when the situation involves vendors/consultants with payments in excess of \$10,000 when the payment is made within 20 working days. See Step 3 for more information-this only applies to small agencies that only have state-only funded contracts.

III. CASH MANAGEMENT	Initials	Date	WP Reference
1. Review documentation relevant to the contract/program under review in order to gain an understanding of whether or not the awards are funded on a reimbursement payment basis. Document your review.			
2. For cost reimbursement contracts, design testwork to determine that costs are paid with entity funds before reimbursement is requested from TDOT. Design testwork to determine that costs are allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability. Document Testwork. List items and attributes tested. If testing is performed in conjunction with testing in another review section, please explain. If contract is not cost reimbursement, testwork will have to be designed and performed to analyze the time elapsing between the transfer of funds and the pay out for the program/contract.			

**Freight and Logistics - Detail Review Guide for Field and Desk Reviews
Monitoring Year 2023**

Enter Sub and contract number.

<p>3. Note: This step is only applicable for small agencies that only have state-only contracts: If invoice included amounts in excess of \$10,000 to vendors/consultants, determine if the vendor/consultant was paid within 20 working days of the subrecipient's payment/reimbursement deposit date (not a true cost reimbursement). Research deposit date via Edison (bank may take 1-2 days to process) and/or the subrecipient's bank statement. Research payment date made to vendor/consultant (may be check image).</p> <p>If this is performed in conjunction with testwork in another section, please explain.</p> <p>This procedure is to review for the timeliness of payments to vendors/consultants in excess of \$10,000. Some small agencies cannot afford to have true cost reimbursement when they have large amounts to pay vendors/consultants on a project. TDOT will not question costs when payment is made within 20 working days. The auditor should research the situation, research the contract, and document in detail the review process.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in III – Cash Management that do not appear elsewhere on a workpaper:

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

IV. Wage Rate Requirements / Davis-Bacon Act

Monitoring Objectives

- To determine that laborer and/or mechanics working under a federal construction contract that exceeded \$2,000, were not paid less than the prevailing wage rates for the locality.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Freight and Logistics

Notes

- In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. TDOT has decided to take the approach to monitor Wage Rate Requirements/Davis-Bacon Act as a separate compliance requirement area. This approach is taken to ensure that there is no confusion in the division of responsibilities for monitoring.
- Most Freight and Logistics contracts are state funded only. However, Freight and Logistics does have Section 130 funding and Federal Transit Administration funding related to State Safety Oversight for fixed-rail transit. A review of the contract and funding will be required to determine if these tests are applicable.
- The signature of the TDOT Freight and Logistics employee on the request for payment will indicate that he/she has reviewed compliance with Wage Rate Requirements/Davis-Bacon Act.

IV. WAGE RATE REQUIREMENTS / DAVIS-BACON ACT	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract to identify if the program/project funded involves any federal construction. If there is not a federal construction contract, the following tests in this section do not apply. Document your review.			
2. If applicable, determine if the subrecipient has entered into a federal construction contract equal to or exceeding \$2,000.			
3. If applicable, review the invoices paid by TDOT during the year under review and determine if a TDOT Freight and Logistics program manager (or person in equivalent position within TDOT Freight and Logistics) approved the invoice(s) via an approval signature. The approval signature indicates that he/she has reviewed Wage Rate Requirements / Davis-Bacon Act. Document your review of the TDOT program			

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

manager's approval.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in IV - Wage Rate Requirements / Davis Bacon Act that do not appear elsewhere on a workpaper:

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

V. Eligibility

Monitoring Objectives

- To determine that program participants were determined to be eligible under the applicable program guidelines and remained eligible during the period.
- Amounts provided to or on behalf of eligible participants were calculated in accordance with program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Freight and Logistics

Notes

- TDOT Freight and Logistics grants/contracts are mostly issued for the public good. There are likely no requirements related to individuals or organizations receiving eligible benefits. Please review the contract and CFDA to determine if these tests are applicable.

V. ELIGIBILITY	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract/program to identify eligibility requirements. Document your review.			
2. If applicable, test a sample of program participants to ensure that applicable eligibility guidelines were met. Document your testwork, sample, method of selecting a sample, and results.			
3. If applicable, test to determine that contract requirements were met with regard to targeted program participant populations and/or area served. Document your testwork, sample, method of selecting a sample, and results.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in V - Eligibility that do not appear elsewhere on a workpaper:

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

VI. Equipment and Real Property Management

Monitoring Objectives

- To determine that the entity's policies and procedures with regard to the purchase of equipment are adequate and consistent with the State's guidelines.
- To determine that the entity maintains proper records and adequately safeguards and maintains equipment.
- To determine whether disposition or encumbrance of any equipment or real property acquired is in accordance with requirements and that the government (Federal and/or State) was compensated for its share of any property sold or converted.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Freight and Logistics

Notes

- This compliance area is not anticipated to be applicable.
- If applicable, TDOT Finance / Fiscal Monitoring Group will request a copy of policies and procedures related to equipment and real property management and a copy of inventory records.
- TDOT Freight and Logistics is responsible for any specific equipment and/or real property management procedures related to a Federal grant and/or related to the nature of the program.

VI. EQUIPMENT AND REAL PROPERTY MANAGEMENT	Initials	Date	WP Reference
<p>1. Refer to documentation relevant to the review of the contract to determine if equipment and/or real property was budgeted and purchased (in whole or in part).</p> <p>Equipment refers to tangible non-expendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. The limit of the acquisition cost is \$5,000 or more per unit for both the State and Federal level.</p> <p>Document your review.</p>			
<p>2. Review the invoices paid by TDOT for the year under review. Determine if any equipment and/or real property has been purchased from funding.</p> <p>If equipment and/or real property was purchased, do the following tests.</p>			
<p>a. Obtain a copy of the inventory record.</p> <p>For equipment purchases, obtain a copy of policies/procedures related to equipment maintenance and/or management (2 CFR part 200.313 (d)).</p>			

**Freight and Logistics - Detail Review Guide for Field and Desk Reviews
Monitoring Year 2023**

Enter Sub and contract number.

b. Does the inventory records include the minimal information that is specifically required by the contract and/or by the Federal regulations related to equipment property records in 2 CFR part 200.313(d) (if the contract involves Federal funding)?			
c. Identify equipment and/or real property purchases from the invoices paid by TDOT for the year under review. Trace equipment purchases to the property records. Ensure that equipment is included in property record. Inquire if any discrepancies are noted.			
d. From the property records, physically observe and inspect equipment purchased using contract funding. Document sample, if necessary. Document observation and inspection including observation of safeguards and maintenance. <u>Note:</u> This step can be omitted for a desk review.			
e. Determine if the agency has disposed of any equipment purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including equipment purchased through current and past contracts). If so, determine that dispositions were properly reflected on property records. And, review to ensure that appropriate steps were taken (if necessary) to reimburse TDOT for the government-interest in the equipment. The disposal of equipment must comply with 2 CFR 200.313 Note: This step may be omitted for a desk review except for verifying that disposal procedures followed 2 CFR 200.313. This is based on auditor judgement and agency risk. Document your reasoning.			
f. Determine if the agency has disposed of or converted use of any real property purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including real property purchased through current and past contracts). If so, determine that the Freight & Logistics division is aware of the disposition or conversion. Such dispositions and/or conversions should only take place under direction of TDOT Freight & Logistics. Document your review. The disposal of real property must comply with 2			

Freight and Logistics - Detail Review Guide for Field and Desk Reviews
Monitoring Year 2023

Enter Sub and contract number.

CFR 200.311. Note: This step may be omitted for a desk review except for verifying that disposal procedures followed 2 CFR 200.311. This is based on auditor judgement and agency risk. Document your reasoning.			
3. If real property was acquired: Determine if appraisals and review appraisals were completed. Determine if any purchases for over 110% of appraised value were authorized. Determine if real property is being used for authorized purposes and has not been improperly disposed of.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VI - Equipment and Real Property Management that do not appear elsewhere on a workpaper:

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

VII. Matching, Level of Effort, Earmarking

Monitoring Objectives

- To determine that the agency met the minimum requirements for local contributions to match the grant award or incurred the adequate level of expenditures borne by other sources of funds to meet the minimum requirements under the grant program.
- To determine that the agency met the minimum or maximum amount or percentage of the program funding that must be used for specified activities provided by the agency.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Freight and Logistics

VII. MATCHING, LEVEL OF EFFORT, EARMARKING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify requirements related to match (cost sharing), level of effort, and/or earmarking. Document your review.			
2. If a match and/or level of effort is required, perform the following tests.			
a. Review the contract and document the type and source of match required (match may be allowable costs incurred or contributions including cash and in-kind contributions). Review the contract and document the required level of effort. Document your review.			
b. Test transactions used to match with the allowable costs/cost principles requirements. This test may be performed in conjunction with testing of the requirements in II. Allowable Costs / Costs Principles.			
c. Calculate and determine if match requirements and/or level of effort requirements are met. Note: If the match includes contributions, determine if the values are reasonable, appropriately documented, and in compliance with 2 CFR part 200.434 (for Federally funded contracts).			
d. Inquire to determine if matching funds are from an allowable source. Note: State and Federal funds are generally not an allowable matching source for Freight and Logistics contracts (if FTA contract – please research).			

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

3. If the contract under review contains an earmark, perform the following tests.			
a. Review documentation to determine the requirements associated with the earmark. Document your review.			
b. Design and perform testwork associated with earmark requirements. Earmarking requirements will vary. Document your testwork and review.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VII – Match, Level of Effort, Earmarking that do not appear elsewhere on a workpaper:

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

VIII. Period of Performance

Monitoring Objectives

- To determine that the grant funds were used during the period the funds were available.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

VIII. Period of Performance	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify the period of performance/availability of the funding. This should be the period the contract is in force. Document your review.			
2. Select a sample of transactions including those reported and paid by TDOT. If possible, include transactions from the beginning of the contract period. Vouch that the underlying obligations occurred during the period of performance/availability. Document your review. This may be a test attribute performed in another section.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VIII – Period of Performance that do not appear elsewhere on a worksheet:

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

IX. Procurement and Suspension & Debarment

Monitoring Objectives

- To determine that purchases were made in compliance with A-102 Common Rule, 2 CFR part 215, and minimum requirements of State and/or Federal guidelines specific to an award.
- To determine that that the no parties were suspended, debarred, or otherwise excluded from participating in the transaction.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- A detail review of the agencies' procurement/purchasing policies is performed in the General Section. The nature of the testing in the section relates to the specific procurement transactions.
- Per Federal regulations, the simplified acquisition threshold is the dollar amount below which an agency may purchase property or services using small purchase methods. The simplified acquisition threshold is set in 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 USC 1908.
- For procurement, under 2 CFR 200.320, if the contract with the engineer or the construction company or vendor is under the simplified acquisition threshold of \$250,000, then a full procurement file will not be required. Only enough to show that the process was followed such as an ad, proposal, or quotes for small purchases.
- On debarment and suspension: Federal Law (A-102 Common Rule and OMB Circular A-110) prohibits non-federal entities from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000 and all non-procurement transactions (e.g., sub-awards to sub-recipients). Contractors receiving individual awards of \$25,000 or more and all sub-recipients must certify that their organization and its principals are not suspended or debarred by a federal agency.
- OMB issued final guidance on August 13, 2020, related to the procurement (using Federal funds) covered telecommunications equipment and services offered by various Chinese companies, including Huawei Technologies, ZTE Corporation, Hytera Communications, Hangzhou Hikvision Digital Technology, or Duhua Technology Company. Per 2 CFR 200.216(a), recipients and subrecipients are prohibited from obligating or expending loan or grant funds to 1 procure or obtain, 2 extend or renew a contract to procure or obtains, and 3 enter into a contract (or extend or renew) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of a system, or a critical technology as part of any system. The ban is not to prevent subrecipients from using covered telecommunications equipment or services. It does prevent them from procuring such equipment or services with Federal grant funds. The prohibition applies to existing Federal awards as of August 13, 2020.

IX. PROCUREMENT AND SUSPENSION & DEBARMENT	Initials	Date	WP Reference
--	----------	------	--------------

**Freight and Logistics - Detail Review Guide for Field and Desk Reviews
Monitoring Year 2023**

Enter Sub and contract number.

<p>1. Review the contract to determine if the terms of the grant/contract allow for reimbursement for the cost of goods, materials, services, supplies, and/or equipment. If not, these the tests for Procurement may not apply. Document your review.</p>			
<p>2. <u>Procurement</u> - If applicable, design testwork to review procurements over the simplified acquisition threshold for compliance with applicable regulations and guidelines.</p> <p>Document testwork.</p> <p>Document sample selection.</p> <p>Document review of contract/procurement files.</p> <p>Verify that procurements provide for full and open competition.</p> <p>Verify the agency followed procedures to review for debarment and suspension.</p> <p>This may be attribute testing that appears in another section.</p>			
<p>3. <u>Debarment and Suspension</u> – Review the grant/contract to determine that a debarment/suspension clause is included. By signing the grant contract, the grantee/subrecipient is agreeing to the terms. The grantee/subrecipient should not be debarred or suspended. The program area would have reviewed this at the time of contracting. The grantee/subrecipient is required to immediately notify TDOT of any change in status. A change in status can be reviewed during the monitoring.</p> <p>Per 2 CFR 200, Appendix XI (Compliance Supplement), this verification may be accomplished by (1) checking the System for Award Management (SAM) maintained by the General Services Administration (GSA):https://www.sam.gov/SAM/ and if it is not found either (2) collecting a certification from the entity, or (3) adding a clause or condition to the legal documents associated with the procurement and/or contract with the subcontractor.</p> <p>Document your review.</p>			

Freight and Logistics - Detail Review Guide for Field and Desk Reviews
Monitoring Year 2023

Enter Sub and contract number.

4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in IX – Procurement, Suspension, and Debarment that do not appear elsewhere on a workpaper:

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

X. Program Income

Monitoring Objectives

- To determine if there is program income from operating the program funded by the State and/or Federal funds.
- To determine if program income is correctly determined, recorded, and used in accordance with governmental and program requirements.
- To determine if program income received was applied to reduce the program expenditures or used in accordance with Federal and/or State guidelines.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

X. PROGRAM INCOME	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify if Program Income can be generated from the funding. Review Federal and/or State requirements associated with the recording and use of program income. Document your review.			
2. Inquire of management if program income has been generated by the State and/or Federally funded program. If applicable, determine how this income was received, identified, and recorded.			
3. Review subrecipient audits and internal financial statements for accounts that may capture fees, services, fines, seizures, forfeitures, etc. Summarize assessment.			
4. If applicable, design and document testing of program income. Test to determine that program income: <ul style="list-style-type: none">- was correctly determined/calculated- from allowable sources- properly recorded- used in accordance with 2 CFR section 200.307 and by program requirements.			
5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in X – Program Income that do not appear elsewhere on a workpaper:

December 16, 2022

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

XI. Reporting

Monitoring Objectives

- To determine if the grantee/subrecipient complied with all reporting requirements of the program, contract, regulations, and/or other specific required reporting requirements.
- To determine that the required reports include all activity of the reporting period, are supported by applicable accounting and/or performance records and are fairly presented in accordance with applicable regulations and/or program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Freight and Logistics

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for financial reporting requirements and on closed contracts, will monitor for the grant disbursement report under Section C.7. The report under C.7 is not required if the grant is cost reimbursement and does not have a local match requirement. Freight & Logistics has made the determination that the final invoice can also serve as the report under C.7 if the final invoice contains all the same information.
- TDOT Freight and Logistics will monitor for reporting requirements related to the Federal grant and/or the Rail/Water or Freight and Logistics' program, and on closed contracts will monitor for the final report under Section D.18.
- Requirements for developing and submitting indirect cost rate proposals and Cost Allocation Plans are contained in Appendices III-VII of the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* as follows below.
 - (1) Appendix III to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
 - (2) Appendix IV to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations;
 - (3) Appendix V to Part 200—State/Local Government and Indian Tribe Central Service Cost Allocation Plans;
 - (4) Appendix VI to Part 200—Public Assistance Cost Allocation Plans; and
 - (5) Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals.
- Please Note – Per CPO Policy 2013-007, in the event that a federal requirement for cost rate proposals or Cost Allocation Plans conflicts with a state requirement, the federal requirement shall control.

XI. REPORTING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract and state agency policy to determine reporting requirements. Document your review.			
2. Identify the specific <u>fiscal</u> reports required by the contract.			
3. Select a sample of fiscal reports to test. Document the selection by listing the reports and attributes tested.			

**Freight and Logistics - Detail Review Guide for Field and Desk Reviews
Monitoring Year 2023**

Enter Sub and contract number.

Include attributes such as accuracy, timeliness, proper reporting format, and/or adequacy of support.			
<p>4. Determine if the Department of Finance and Administration's Policy 03 Uniform Reporting Requirements are applicable for the contract/grant.</p> <p>Governmental and agencies operating <u>one</u> program only are not subject to the requirements.</p>			
<p>5. If Policy 03 is applicable, design testwork to determine compliance with Policy 03. Test to determine that:</p> <ul style="list-style-type: none"> - the authorized Policy 03 is being used - the Policy 03 reports are accurate, supported, and timely - there is a Cost Allocation Plan approved by a cognizant state agency. Secure a copy for the workpaper file. <p>Note - Costs reviewed in II – Allowable Costs / Costs Principles should be allocated to the program/contract in accordance with the Cost Allocation Plan.</p> <p>Document your testwork.</p>			
<p>6. Determine the methodology of accumulating and allocating indirect costs by reviewing cost allocation plans, approved indirect cost rates, and/or discussions with management. Test to determine that the indirect costs are being properly allocated to the contract/program.</p> <p>Document you testwork.</p>			
<p>7. Per contract language, provisional indirect cost rates may be used. Determine if the indirect cost rate used is provisional.</p> <p>If provisional, once the rate becomes final, the Grantee/Subrecipient is to remit any overpayment of funds or TDOT is to remit any underpayment (subject to availability of funding).</p> <p>If provisional, determine if a final rate has been approved. If a final rate has been approved, obtain documentation to verify any needed adjustments were made to account for the indirect costs paid via the provisional rate.</p>			

Freight and Logistics - Detail Review Guide for Field and Desk Reviews
Monitoring Year 2023

Enter Sub and contract number.

Verify the documentation/calculations with prior invoices in Edison. Note: A final rate may not have been determined at the time of fiscal subrecipient monitoring. It will depend upon the contract and fiscal year end date.			
8. The Fiscal Monitoring Group is only responsible for monitoring reporting of a fiscal nature. If there are any specific reporting requirements related to the program, TDOT Freight and Logistics is responsible for monitoring. Review reporting requirements and discuss with management if there appears to be any uncertainty about the division of responsibility for monitoring.			
9. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XI – Reporting that do not appear elsewhere on a workpaper:

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

XII. Special Tests and Provisions

Monitoring Objectives

- To determine compliance with specific provisions related to the type of grant/contract being reviewed.
- To determine compliance with contract requirements not tested in another review section.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Freight and Logistics

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for special tests and provisions that are fiscal in nature.
- TDOT Freight and Logistics will monitor for any special tests and provisions that are programmatic in nature.

XII. SPECIAL TESTS AND PROVISIONS	Initials	Date	WP Reference
1. Design and perform tests for specific grant requirements that are not included in testing in Section I through XI.			
2. Specific Contract Requirements: Subcontracting – In Section D of most contracts there is specific language regarding subcontracting the service. Review for subcontracts. Did the subcontract(s) contain the required clauses?			
3. Specific Contract Requirements: Public Accountability – In Section D of most contracts there is a requirement to post a hotline number in relation to Public Accountability. Is that posted? Note – This step can be skipped in a desk review.			
4. Specific Contract Requirements: Public Notice – In Section D of most contracts, there is specific language to be included in public notices. Do public notices, pamphlets, press releases, etc. include the required language? Note – This is an area that TDOT Freight and Logistics would review. This can be reviewed by TDOT Finance/ Fiscal Monitoring Group only if it is noted during monitoring activities. Testwork does not have to be designed to test for this requirement.			

Freight and Logistics - Detail Review Guide for Field and Desk Reviews
Monitoring Year 2023

Enter Sub and contract number.

5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			
--	--	--	--

Documentation of Review Procedures in XII – Special Tests and Provisions that do not appear elsewhere on a workpaper:

Freight and Logistics - Detail Review Guide for Field and Desk Reviews

Monitoring Year 2023

Enter Sub and contract number.

XIII. Title VI / Nondiscrimination Compliance

Monitoring Objectives

- To determine that policies and actions taken by the grantee/subrecipient do not exclude any person from employment or participation/benefit of the program based on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal or State law or policy.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Freight and Logistics and TDOT Civil Rights Office

XIII. Title VI / Nondiscrimination Compliance	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract/program to familiarize yourself with Title VI / Nondiscrimination compliance requirements.			
2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Freight and Logistics program manager (or employee in equivalent position within TDOT Logistics) approved the invoices via an approval signature. The approving signature indicates that compliance with monitoring in this compliance requirement are is satisfactory.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XIII – Title VI / Nondiscrimination Compliance that do not appear elsewhere on a workpaper:

Fiscal Exhibit 4 – Detail Review Guide (DRG) / Highway Beautification
Office

Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023

Enter Sub and contract number, date if field review.

**Fiscal Monitoring Detail Review Guide
COMPLIANCE REQUIREMENT AREAS
HIGHWAY BEAUTIFICATION OFFICE
TABLE OF CONTENTS**

	Reference
I. Activities Allowed or Unallowed	I-1
II. Allowable Costs / Cost Principles	II-1
III. Cash Management	III-1
IV. Wage Rate Requirements / Davis-Bacon Act	IV -1
V. Eligibility	V-1
VI. Equipment and Real Property Management	VI-1
VII. Matching, Level of Effort, Earmarking	VII-1
VIII. Period of Performance	VIII-1
IX. Procurement and Suspension & Debarment	IX-1
X. Program Income	X-1
XI. Reporting	XI-1
XII. Special Tests and Provisions	XII-1
XIII. Title VI / Nondiscrimination Compliance.....	XIII-1

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

I. ACTIVITIES ALLOWED OR UNALLOWED

Monitoring Objectives

- To determine whether the activities of the program are allowable under the program regulations, laws, and provisions of the contract/grant agreement.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Highway Beautification Office

Notes

I. ACTIVITIES ALLOWED OR UNALLOWED	Initials	Date	WP Reference
<p>1. Review documentation relevant to the review of the contract/program (program regulations, laws, contractual agreement, etc.) to identify the activities that are specifically allowed and/or prohibited.</p> <p>Document your review.</p> <p>The following information should be considered.</p> <ul style="list-style-type: none">- Does the contract contain Federal funding (generally Highway Beautification Office grants/contracts do not)?- If the contract contains Federal funding, the specific requirements of the governing statutes and regulations are included in the Compliance Supplement Part 4 – Agency Program Requirements or Part 5 – Clusters of Programs, as applicable.- If the contract does not contain Federal funding, the scope of the contract should provide information on the types of activities required. Review the scope of contract and budget of contract to determine activities required.			
<p>2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Highway Beautification Office program manager (or employee in equivalent position within TDOT Highway Beautification Office) approved the invoices via an approval signature. The approving signature indicates that he/she has verified that all items on the invoice(s) are allowable activities.</p>			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

Document your review of the TDOT program manager's approval.			
3. Review invoices paid by TDOT during the year under review to determine if activities appear to be allowable under the program regulations, laws, and provisions of the contract/grant agreement. If testing is performed in conjunction with testing in another review section, please explain.			
4. Verify the monthly program report for activities was submitted with the invoice (specific Highway Beautification Office requirement).			
5. When all review procedures relating to this section have been completed, write a conclusion stating that review objectives have been completed. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in I - Activities Allowed and Unallowed that do not appear elsewhere on a workpaper:

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

II. ALLOWABLE COSTS / COST PRINCIPLES

Monitoring Objectives

- To determine that costs reported under the program are allowable, adequately documented, and consistent with the provisions of A-102 Common Rule, the Federal awarding agency regulations, the State, TDOT, 2 CFR part 200, cost principles, and/or the terms and conditions of the award.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- The three cost principles are as follows:
 - 2 CFR part 225 - “Cost Principles for State, Local, and Indian Tribal Governments”
 - 2 CFR part 220 - “Cost Principles for Educational Institutions”
 - 2 CFR part 230 - “Cost Principles for Non-Profit Organizations”

II. ALLOWABLE COSTS / COST PRINCIPLES	Initials	Date	WP Reference
<p>1. Review documentation relevant to the contract/program under review to gain an understanding of the allowable costs of the contract/program.</p> <p>Examples of documentation may include:</p> <ul style="list-style-type: none">- Fiscal manuals- Federal circulars- Federal and State regulations- Cost principles- Contract terms- Contract budgets / line items- Cost allocation plan- Indirect cost rate approval / documentation <p>Document your review.</p>			
<p>2. Design testwork to determine that costs are allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability.</p> <p>Document Testwork Document the selection method. List items and attributes tested.</p> <p>Testing may include review procedures to conclude that -</p> <ul style="list-style-type: none">a) Costs represent charges for actual costs (not			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

<p>budgeted or projected amounts).</p> <p>b) Costs are given consistent accounting treatment (treatment of direct and indirect costs).</p> <p>c) Costs are calculated in conformity with GAAS or CAS.</p> <p>d) Costs are supported by appropriate documentation.</p> <p>e) Costs are allowable per regulations, cost principles, and/or circulars.</p> <p>f) Costs are paid in accordance with budgeted line items.</p> <p>g) Costs are within the contract term (period of performance).</p> <p>h) Indirect cost rates are applied in accordance with approved rates.</p> <p>i) Other – must design testwork that relates to program/contract.</p>			
<p>3. If a provisional rate was used to invoice for indirect costs, determine whether a final rate has been established and appropriate claim adjustments have been made in accordance with contract terms.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in II – Allowable Costs / Cost Principles that do not appear elsewhere on a workpaper:

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

III. Cash Management

Monitoring Objectives

- To determine that the recipient/subrecipient followed procedures to minimize the time elapsing between the transfer of funds from TDOT and the pay out of funds for program/contract purposes.
- For reimbursement programs, to determine that program costs are paid for with subrecipient funds before reimbursement is requested from TDOT.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- All Highway Beautification Office contracts should be cost reimbursement contracts.
- Some small recipients/subrecipients may not be able to pay vendors/consultants until they are reimbursed by TDOT. The reason being is that many small recipients/subrecipients are operating without sufficient cash flow to have a true cost reimbursement situation when projects require large vendor/consultant contracts/invoices. TDOT has an understanding not to question costs when the situation involves vendors/consultants with payments in excess of \$10,000 when the payment is made within 20 working days. See Step 3 for more information.

III. CASH MANAGEMENT	Initials	Date	WP Reference
1. Review documentation relevant to the contract/program under review in order to gain an understanding of whether or not the awards are funded on a reimbursement payment basis. Document your review.			
2. For cost reimbursement contracts, design testwork to determine that costs are paid with entity funds before reimbursement is requested from TDOT. Design testwork to determine that costs are allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability. Document Testwork. List items and attributes tested. If testing is performed in conjunction with testing in another review section, please explain. If contract is not cost reimbursement, testwork will have to be designed and performed to analyze the time			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

elapsing between the transfer of funds and the pay out for the program/contract.			
<p>3. If invoice included amounts in excess of \$10,000 to vendors/consultants, determine if the vendor/consultant was paid within 20 working days of the subrecipient's payment/reimbursement deposit date (not a true cost reimbursement). Research deposit date via Edison (bank may take 1-2 days to process) and/or the subrecipient's bank statement. Research payment date made to vendor/consultant (may be check image).</p> <p>If this is performed in conjunction with testwork in another section, please explain.</p> <p>This procedure is to review for the timeliness of payments to vendors/consultants in excess of \$10,000. Some small recipients/subrecipients cannot afford to have true cost reimbursement when they have large amounts to pay vendors/consultants on a project. TDOT will not question costs when payment is made within 20 working days. The auditor should research the situation, research the contract, and document in detail the review process.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in III – Cash Management that do not appear elsewhere on a workpaper:

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

IV. Wage Rate Requirements / Davis-Bacon Act

Monitoring Objectives

- To determine that laborer and/or mechanics working under a federal construction contract that exceeded \$2,000, were not paid less than the prevailing wage rates for the locality.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- Not Applicable

Notes

- In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. TDOT has decided to take the approach to monitor Wage Rate Requirements/Davis-Bacon Act as a separate compliance requirement area. This approach is taken to ensure that there is no confusion in the division of responsibilities for monitoring.
- According to the Highway Beautification Office, this compliance requirement area is not applicable.

IV. WAGE RATE REQUIREMENTS / DAVIS-BACON ACT	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract to identify if the program/project funded involves any federal construction. If there is not a federal construction contract, the following tests in this section do not apply. Document your review.			
2. If applicable, determine if the subrecipient has entered into a federal construction contract equal to or exceeding \$2,000.			
3. If applicable, design testwork to determine that laborer and/or mechanics working under a federal construction contract that exceed \$2,000 were not paid less than the prevailing wage rates for the locality. Document your review.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in IV - Wage Rate Requirements / Davis Bacon Act that do not appear elsewhere on a workpaper:

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

V. Eligibility

Monitoring Objectives

- To determine that program participants were determined to be eligible under the applicable program guidelines and remained eligible during the period.
- Amounts provided to or on behalf of eligible participants were calculated in accordance with program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- Not applicable

Notes

- TDOT Highway Beautification Office has confirmed that its grants/contracts are issued for the public good. There are no requirements related to individuals or organizations receiving eligible benefits.
- The tests in this section should not be applicable.

V. ELIGIBILITY	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract/program to identify eligibility requirements. Document your review.			
2. If applicable, test a sample of program participants to ensure that applicable eligibility guidelines were met. Document your testwork, sample, method of selecting a sample, and results.			
3. If applicable, test to determine that contract requirements were met with regard to targeted program participant populations and/or area served. Document your testwork, sample, method of selecting a sample, and results.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in V - Eligibility that do not appear elsewhere on a worksheet:

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

VI. Equipment and Real Property Management

Monitoring Objectives

- To determine that the entity's policies and procedures with regard to the purchase of equipment are adequate and consistent with the State's guidelines.
- To determine that the entity maintains proper records and adequately safeguards and maintains equipment.
- To determine whether disposition or encumbrance of any equipment or real property acquired is in accordance with requirements and that the government (Federal and/or State) was compensated for its share of any property sold or converted.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Highway Beautification Office

Notes

- This compliance requirement area is not usually applicable to grants/contracts with TDOT Highway Beautification Office.
- If applicable, TDOT Finance / Fiscal Monitoring Group will request a copy of policies and procedures related to equipment and real property management and a copy of inventory records.
- TDOT Highway Beautification Office is responsible for any specific equipment and/or real property management procedures related to the nature of the program.

VI. EQUIPMENT AND REAL PROPERTY MANAGEMENT	Initials	Date	WP Reference
<p>1. Refer to documentation relevant to the review of the contract to determine if equipment and/or real property was budgeted and purchased (in whole or in part).</p> <p>Equipment refers to tangible non-expendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. The limit of the acquisition cost is \$5,000 or more per unit for both the State and Federal level.</p> <p>Document your review.</p>			
<p>2. Review the invoices paid by TDOT for the year under review. Determine if any equipment and/or real property has been purchased from funding.</p> <p>If equipment and/or real property was purchased, do the following tests.</p>			
<p>a. Obtain a copy of the inventory record.</p> <p>For equipment purchases, obtain a copy of policies/procedures related to equipment</p>			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

maintenance and/or management (2 CFR part 200.313 (d)).			
b. Does the inventory records include the minimal information that is specifically required by the contract and/or by the Federal regulations related to equipment property records in 2 CFR part 200.313(d) (if the contract involves Federal funding)?			
c. Identify equipment and/or real property purchases from the invoices paid by TDOT for the year under review. Trace equipment purchases to the property records. Ensure that equipment is included in property record. Inquire if any discrepancies are noted.			
d. From the property records, physically observe and inspect equipment purchased using contract funding. Document sample, if necessary. Document observation and inspection including observation of safeguards and maintenance. <u>Note:</u> This step can be omitted for a desk review.			
e. Determine if the agency has disposed of any equipment purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including equipment purchased through current and past contracts). If so, determine that dispositions were properly reflected on property records. And review to ensure that appropriate steps were taken (if necessary) to reimburse TDOT for the government-interest in the equipment. Note: This step may be omitted for a desk review. This is based on auditor judgement and agency risk. Document your reasoning.			
f. Determine if the agency has disposed of or converted use of any real property purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including real property purchased through current and past contracts). If so, determine that the Highway Beautification Office is aware of the disposition or conversion. Such dispositions and/or conversions should only take place under direction of TDOT Highway Beautification Office. Document your review. Note: This step may be omitted for a desk review.			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

This is based on auditor judgement and agency risk. Document your reasoning.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VI - Equipment and Real Property Management that do not appear elsewhere on a workpaper:

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

VII. Matching, Level of Effort, Earmarking

Monitoring Objectives

- To determine that the agency met the minimum requirements for local contributions to match the grant award or incurred the adequate level of expenditures borne by other sources of funds to meet the minimum requirements under the grant program.
- To determine that the agency met the minimum or maximum amount or percentage of the program funding that must be used for specified activities provided by the agency.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

VII. MATCHING, LEVEL OF EFFORT, EARMARKING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify requirements related to match (cost sharing), level of effort, and/or earmarking. Document your review.			
2. If a match and/or level of effort is required, perform the following tests.			
a. Review the contract and document the type and source of match required (match may be allowable costs incurred or contributions including cash and in-kind contributions). Review the contract and document the required level of effort. Document your review.			
b. Test transactions used to match with the allowable costs/cost principles requirements. This test may be performed in conjunction with testing of the requirements in II. Allowable Costs / Costs Principles.			
c. Calculate and determine if match requirements and/or level of effort requirements are met. Note: If the match includes contributions, determine if the values are reasonable, appropriately documented, and in compliance with 2 CFR part 200.434 (for Federally funded contracts).			
d. Inquire to determine if matching funds are from an allowable source. Note: State and Federal funds are not an allowable			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

matching source for Highway Beautification contracts.			
3. If the contract under review contains an earmark, perform the following tests.			
a. Review documentation to determine the requirements associated with the earmark. Document your review.			
b. Design and perform testwork associated with earmark requirements. Earmarking requirements will vary. Document your testwork and review.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VII – Match, Level of Effort, Earmarking that do not appear elsewhere on a workpaper:

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

VIII. Period of Performance

Monitoring Objectives

- To determine that the grant funds were used during the period the funds were available.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

VIII. Period of Performance	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify the period of performance/availability of the funding. This should be the period the contract is in force. Document your review.			
2. Select a sample of transactions including those reported and paid by TDOT. If possible, include transactions from the beginning of the contract period. Vouch that the underlying obligations occurred during the period of performance/availability. Document your review. This may be a test attribute performed in another section.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VIII – Period of Performance that do not appear elsewhere on a worksheet:

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

IX. Procurement and Suspension & Debarment

Monitoring Objectives

- To determine that purchases were made in compliance with A-102 Common Rule, 2 CFR part 215, and minimum requirements of State and/or Federal guidelines specific to an award.
- To determine that the no parties were suspended, debarred, or otherwise excluded from participating in the transaction.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- A detail review of the agencies' procurement/purchasing policies is performed in the General Section. The nature of the testing in the section relates to the specific procurement transactions.
- Per Federal regulations, the simplified acquisition threshold is the dollar amount below which an agency may purchase property or services using small purchase methods. The simplified acquisition threshold is set in 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 USC 1908.
- The litter grants generally do not have large purchases but when they do: For procurement, under 2 CFR 200.320, if the contract with the vendor is under the simplified acquisition threshold of \$250,000, then a full procurement file will not be required. Only enough to show that the process was followed such as an ad, proposal, or quotes for small purchases.

IX. PROCUREMENT AND SUSPENSION & DEBARMENT	Initials	Date	WP Reference
1. Review the contract to determine if the terms of the grant/contract allow for reimbursement for the cost of goods, materials, services, supplies, and/or equipment. If not, these the tests for Procurement may not apply. Document your review.			
2. <u>Procurement</u> - If applicable, design testwork to review procurements over the simplified acquisition threshold for compliance with applicable regulations and guidelines. Document testwork. Document sample selection. Document review of contract/procurement files. Verify that procurements provide for full and open competition. Verify the agency followed procedures to review			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

<p>for debarment and suspension.</p> <p>This may be attribute testing that appears in another section.</p>			
<p>3. <u>Debarment and Suspension</u> – Review the grant/contract to determine that a debarment/suspension clause is included. By signing the grant contract, the grantee/subrecipient is agreeing to the terms. The grantee/subrecipient should not be debarred or suspended. The program area would have reviewed this at the time of contracting. The grantee/subrecipient is required to immediately notify TDOT of any change in status. A change in status can be reviewed during the monitoring.</p> <p>This step can be accomplished through doing a System for Award Management (SAM) search at https://www.sam.gov/SAM/ . The litter grants are state funded only so this is not required.</p> <p>Document your review.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in IX – Procurement, Suspension, and Debarment that do not appear elsewhere on a workpaper:

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

X. Program Income

Monitoring Objectives

- To determine if there is program income from operating the program funded by the State and/or Federal funds.
- To determine if program income is correctly determined, recorded, and used in accordance with governmental and program requirements.
- To determine if program income received was applied to reduce the program expenditures or used in accordance with Federal and/or State guidelines.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- Not Applicable

	Initials	Date	WP Reference
X. PROGRAM INCOME			
1. Refer to documentation relevant to the review of the contract to identify if Program Income can be generated from the funding. Review Federal and/or State requirements associated with the recording and use of program income. Document your review.			
2. Inquire of management if program income has been generated by the State and/or Federally funded program. If applicable, determine how this income was received, identified, and recorded.			
3. Review subrecipient audits and internal financial statements for accounts that may capture fees, services, fines, seizures, forfeitures, etc. Summarize assessment.			
4. If applicable, design and document testing of program income. Test to determine that program income: <ul style="list-style-type: none">- was correctly determined/calculated- from allowable sources- properly recorded- used in accordance with 2 CFR section 200.307 and by program requirements.			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			
--	--	--	--

Documentation of Review Procedures in X – Program Income that do not appear elsewhere on a workpaper:

XI. Reporting

Monitoring Objectives

- To determine if the grantee/subrecipient complied with all reporting requirements of the program, contract, regulations, and/or other specific required reporting requirements.
- To determine that the required reports include all activity of the reporting period, are supported by applicable accounting and/or performance records, and are fairly presented in accordance with applicable regulations and/or program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Highway Beautification Office

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for financial reporting requirements.
- TDOT Highway Beautification Office will monitor for reporting requirements related to the Federal grant and/or Highway Beautification program.
- Note: on closed contracts, the Highway Beautification Office considers the final invoice to be both the grant disbursement report and final report.
- Requirements for developing and submitting indirect cost rate proposals and Cost Allocation Plans are contained in Appendices III-VII of the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* as follows below.
 - (1) Appendix III to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
 - (2) Appendix IV to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations;
 - (3) Appendix V to Part 200—State/Local Government and Indian Tribe Central Service Cost Allocation Plans;
 - (4) Appendix VI to Part 200—Public Assistance Cost Allocation Plans; and
 - (5) Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals.
- Please Note – Per CPO Policy 2013-007, in the event that a federal requirement for cost rate proposals or Cost Allocation Plans conflicts with a state requirement, the federal requirement shall control.

XI. REPORTING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract and state agency policy to determine reporting requirements.			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

Document your review.			
2. Identify the specific <u>fiscal</u> reports required by the contract.			
3. Select a sample of fiscal reports to test. Document the selection by listing the reports and attributes tested. Include attributes such as accuracy, timeliness, proper reporting format, and/or adequacy of support.			
4. Determine if the Department of Finance and Administration's Policy 03 Uniform Reporting Requirements are applicable for the contract/grant. Governmental and agencies operating <u>one</u> program only are not subject to the requirements.			
5. If Policy 03 is applicable, design testwork to determine compliance with Policy 03. Test to determine that: <ul style="list-style-type: none"> - the authorized Policy 03 is being used - the Policy 03 reports are accurate, supported, and timely - there is a Cost Allocation Plan approved by a cognizant state agency. Secure a copy for the workpaper file. Note - Costs reviewed in II – Allowable Costs / Costs Principles should be allocated to the program/contract in accordance with the Cost Allocation Plan. Document your testwork.			
6. Determine the methodology of accumulating and allocating indirect costs by reviewing cost allocation plans, approved indirect cost rates, and/or discussions with management. Test to determine that the indirect costs are being properly allocated to the contract/program. Document you testwork.			
7. Per contract language, provisional indirect cost rates may be used. Determine if the indirect cost rate used is provisional. If provisional, once the rate becomes final, the Grantee/Subrecipient is to remit any overpayment of funds or TDOT is to remit any underpayment (subject			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

<p>to availability of funding).</p> <p>If provisional, determine if a final rate has been approved. If a final rate has been approved, obtain documentation to verify any needed adjustments were made to account for the indirect costs paid via the provisional rate.</p> <p>Verify the documentation/calculations with prior invoices in Edison.</p> <p>Note: A final rate may not have been determined at the time of fiscal subrecipient monitoring. It will depend upon the contract and fiscal year end date.</p>			
8. The Fiscal Monitoring Group is only responsible for monitoring reporting of a fiscal nature. If there are any specific reporting requirements related to the program, TDOT Highway Beautification Office is responsible for monitoring. Review reporting requirements and discuss with management if there appears to be any uncertainty about the division of responsibility for monitoring.			
9. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XI – Reporting that do not appear elsewhere on a workpaper:

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

XII. Special Tests and Provisions

Monitoring Objectives

- To determine compliance with specific provisions related to the type of grant/contract being reviewed.
- To determine compliance with contract requirements not tested in another review section.
- To determine whether other public land acquisition organizations or private consultants are in compliance with 23 CFR section 710.201(b) and related contractual terms and policies.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Highway Beautification Office

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for special tests and provisions that are fiscal in nature.
- TDOT Highway Beautification Office will monitor for any special tests and provisions that are programmatic in nature.

XII. SPECIAL TESTS AND PROVISIONS	Initials	Date	WP Reference
1. Design and perform tests for specific grant requirements that are not included in testing in Section I through XI.			
2. Specific Contract Requirements: Subcontracting – In Section D of most contracts there is specific language regarding subcontracting the service. Review for subcontracts. Did the subcontract(s) contain the required clauses?			
3. Specific Contract Requirements: Public Accountability – In Section D of most contracts there is a requirement to post a hotline number in relation to Public Accountability. Is that posted? Note – This step can be skipped in a desk review.			
4. Specific Contract Requirements: Public Notice – In Section D of most contracts, there is specific language to be included in public notices. Do public notices, pamphlets, press releases, etc include the required language? Note – This is an area that TDOT Highway Beautification Office would review. This can be reviewed by TDOT Finance/ Fiscal Monitoring Group only if it is noted during monitoring activities. Testwork does not have to be designed			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

to test for this requirement.			
5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XII – Special Tests and Provisions that do not appear elsewhere on a workpaper:

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

XIII. Title VI / Nondiscrimination Compliance

Monitoring Objectives

- To determine that policies and actions taken by the grantee/subrecipient do not exclude any person from employment or participation/benefit of the program based on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal or State law or policy.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance/ Fiscal Monitoring Group, TDOT Highway Beautification Office, and TDOT Civil Rights Office

Notes

- The TDOT Finance/ Fiscal Monitoring Group will monitor this compliance requirement area by obtaining assurances and performing physical inspections of postings during field work.
- TDOT Highway Beautification Office does understand that field work is generally only performed when needed for high-risk grantees/subrecipient. TDOT Highway Beautification Office has stated that they will work with TDOT Civil Rights Office to ensure monitoring for the Title VI/Nondiscrimination is satisfactory.

XIII. Title VI / Nondiscrimination Compliance	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract/program to familiarize yourself with Title VI / Nondiscrimination compliance requirements.			
2. Assess Title VI / Nondiscrimination Compliance for the contract being monitored. Design testwork to ensure Title VI / Nondiscrimination compliance requirements are met. Document your testwork. Note: In Section D of the contract, grantee/subrecipients agree not to discriminate in the performance of the Grant Contract or in the employment practices. Testwork can include obtaining assurances, review of Title VI/Nondiscrimination policies, and/or review of Equal Employment Opportunities policies, etc. The auditor will need to design testwork according to risk level. All field reviews should include observation of nondiscrimination postings located on-site in conspicuous places.			

**Highway Beautification Office – Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Enter Sub and contract number, date if field review.

3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			
--	--	--	--

Documentation of Review Procedures in XIII – Title VI / Nondiscrimination Compliance that do not appear elsewhere on a workpaper:

Fiscal Exhibit 5 – Detail Review Guide (DRG) / Local Programs

Enter Sub, contract number, and review date if field review.

**Fiscal Monitoring Detail Review Guide
COMPLIANCE REQUIREMENT AREAS
LOCAL PROGRAMS
TABLE OF CONTENTS**

	Reference
I. Activities Allowed or Unallowed	I-1
II. Allowable Costs / Cost Principles	II-1
III. Cash Management	III-1
IV. Wage Rate Requirements / Davis-Bacon Act	IV -1
V. Eligibility	V-1
VI. Equipment and Real Property Management	VI-1
VII. Matching, Level of Effort, Earmarking	VII-1
VIII. Period of Performance	VIII-1
IX. Procurement and Suspension & Debarment	IX-1
X. Program Income	X-1
XI. Reporting	XI-1
XII. Special Tests and Provisions	XII-1
XIII. Title VI / Nondiscrimination Compliance.....	XIII-1

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

I. ACTIVITIES ALLOWED OR UNALLOWED

Monitoring Objectives

- To determine whether the activities of the program are allowable under the program regulations, laws, and provisions of the contract/grant agreement.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Local Programs

Notes

- This Section is monitored by the program area. TDOT Local Programs has stated that the approving signature of the TDOT Local Programs employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has verified that all items are allowable under the contract and all applicable Federal and State regulations related to the grant/contract.
- The TDOT Fiscal Monitoring Group will include limited review procedures in Activities Allowed or Unallowed to support the efforts of the program area.

I. ACTIVITIES ALLOWED OR UNALLOWED	Initials	Date	W/P Reference
<p>1. Review documentation relevant to the review of the contract/program (program regulations, laws, contractual agreement, etc.) to identify the activities that are specifically allowed or prohibited.</p> <p>Document your review.</p> <p>The following information should be considered.</p> <ul style="list-style-type: none">- Does the contract contain Federal funding?- If the contract contains Federal funding, the specific requirements of the governing statutes and regulations are included in the Compliance Supplement Part 4 – Agency Program Requirements or Part 5 – Clusters of Programs, as applicable.- If the contract does not contain Federal funding, the scope of the contract should provide information on the types of activities required. Review the scope of contract and budget of contract to determine activities required.			
<p>2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Local Programs program manager (or employee in equivalent position within TDOT Local Programs) approved the invoices via an approval signature. The approving signature indicates that he/she has verified that all items on the invoice(s) are allowable activities.</p>			

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

Document your review of the TDOT program manager's approval.			
3. Review invoices paid by TDOT during the year under review to determine if activities appear to be allowable under the program regulations, laws, and provisions of the contract/grant agreement. If testing is performed in conjunction with testing in another review section, please explain. Document your review.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that review objectives have been completed. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in I - Activities Allowed and Unallowed that do not appear elsewhere on a workpaper:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

II. ALLOWABLE COSTS / COST PRINCIPLES

Monitoring Objectives

- To determine that costs reported under the program are allowable, adequately documented, and consistent with the provisions of A-102 Common Rule, the Federal awarding agency regulations, the State, TDOT, 2 CFR part 200, cost principles, and/or the terms and conditions of the award.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- The three cost principles are as follows:
 - 2 CFR part 225 - “Cost Principles for State, Local, and Indian Tribal Governments”
 - 2 CFR part 220 - “Cost Principles for Educational Institutions”
 - 2 CFR part 230 - “Cost Principles for Non-Profit Organizations”

II. ALLOWABLE COSTS / COST PRINCIPLES	Initials	Date	WP Reference
<p>1. Review documentation relevant to the contract/program under review in order to gain an understanding of the allowable costs of the contract/program.</p> <p>Examples of documentation may include:</p> <ul style="list-style-type: none">- Fiscal manuals- Federal circulars- Federal and State regulations- Cost principles- Contract terms- Contract budgets / line items- Cost allocation plan- Indirect cost rate approval / documentation <p>Document your review.</p>			
<p>2. Design testwork to determine that costs are allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability.</p> <p>Document Testwork Document the selection method. List items and attributes tested.</p> <p>Testing may include review procedures to conclude that -</p> <ul style="list-style-type: none">a) Costs represent charges for actual costs (not			

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

<p>budgeted or projected amounts).</p> <p>b) Costs are given consistent accounting treatment (treatment of direct and indirect costs).</p> <p>c) Costs are calculated in conformity with GAAS or CAS.</p> <p>d) Costs are supported by appropriate documentation.</p> <p>e) Costs are allowable per regulations, cost principles, and/or circulars.</p> <p>f) Costs are paid in accordance with budgeted line items.</p> <p>g) Costs are within the contract term (period of performance).</p> <p>h) Indirect cost rates are applied in accordance with approved rates.</p> <p>i) Other – must design testwork that relates to program/contract.</p>			
<p>3. If a provisional rate was used to invoice for indirect costs, determine whether a final rate has been established and appropriate claim adjustments have been made in accordance with contract terms.</p>			
<p>4. If applicable, determine if outside engineering is included in costs of the contract/grant. Test to determine if the engineering firm used the correct overhead rate on invoices paid by the subrecipient (based on approved rate for invoice period).</p>			
<p>5. Review the contract. Determine compliance with the contract related to retainage. The subrecipient and any contractor involved in the project should not withhold retainage on progress payments if the contract was issued in FY 2016 or after.</p> <p>Document your review.</p>			
<p>6. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in II – Allowable Costs / Cost Principles that do not appear elsewhere on a workpaper:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

III. Cash Management

Monitoring Objectives

- To determine that the recipient/subrecipient followed procedures to minimize the time elapsing between the transfer of funds from TDOT and the pay out of funds for program/contract purposes.
- For reimbursement programs, to determine that program costs are paid for with subrecipient funds before reimbursement is requested from TDOT.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- All Local Programs' contracts should be cost reimbursement contracts.

III. CASH MANAGEMENT	Initials	Date	WP Reference
1. Review documentation relevant to the contract/program under review in order to gain an understanding of whether or not the awards are funded on a reimbursement payment basis. Document your review.			
2. For cost reimbursement contracts, design testwork to determine that costs are paid with entity funds before reimbursement is requested from TDOT. Design testwork to determine that costs are allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability. Document Testwork. List items and attributes tested. If testing is performed in conjunction with testing in another review section, please explain. If contract is not cost reimbursement, testwork will have to be designed and performed to analyze the time elapsing between the transfer of funds and the pay out for the program/contract.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

Documentation of Review Procedures in III – Cash Management that do not appear elsewhere on a workpaper:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

IV. Wage Rate Requirements / Davis-Bacon Act

Monitoring Objectives

- To determine that laborer and/or mechanics working under a federal construction contract that exceeded \$2,000, were not paid less than the prevailing wage rates for the locality.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Local Programs

Notes

- In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. TDOT has decided to take the approach to monitor Wage Rate Requirements/Davis-Bacon Act as a separate compliance requirement area. This approach is taken to ensure that there is no confusion in the division of responsibilities for monitoring.
- When this compliance requirement area is applicable, TDOT Local Program requires the contractor to certify that pay rates comply with prevailing local wage rates. Also, the local governments have a professional engineer under contract to perform CEI services. Both the engineer and local government official are required to verify compliance and approve with signature.
- The signature of the TDOT Local Programs employee on the request for payment will indicate that he/she has reviewed compliance with Wage Rate Requirements/Davis-Bacon Act.

IV. WAGE RATE REQUIREMENTS / DAVIS-BACON ACT	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract to identify if the program/project funded involves any federal construction. If there is not a federal construction contract, the following tests in this section do not apply. Document your review.			
2. If applicable, determine if the subrecipient has entered into a federal construction contract equal to or exceeding \$2,000.			
3. If applicable, review the invoices paid by TDOT during the year under review and determine if a TDOT Local Programs program manager (or person in equivalent position within TDOT Local Programs) approved the invoice(s) via an approval signature. The approval signature indicates that he/she has reviewed Wage Rate Requirements / Davis-Bacon Act. Document your review of the TDOT program manager's approval.			

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			
--	--	--	--

Documentation of Review Procedures in IV - Wage Rate Requirements / Davis Bacon Act that do not appear elsewhere on a workpaper:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

V. Eligibility

Monitoring Objectives

- To determine that program participants were determined to be eligible under the applicable program guidelines and remained eligible during the period.
- Amounts provided to or on behalf of eligible participants were calculated in accordance with program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- Not applicable

Notes

- TDOT Local Programs has confirmed that its grants/contracts are issued for the public good. There are no requirements related to individuals or organizations receiving eligible benefits.
- The tests in this section should not be applicable.

V. ELIGIBILITY	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract/program to identify eligibility requirements. Document your review.			
2. If applicable, test a sample of program participants to ensure that applicable eligibility guidelines were met. Document your testwork, sample, method of selecting a sample, and results.			
3. If applicable, test to determine that contract requirements were met with regard to targeted program participant populations and/or area served. Document your testwork, sample, method of selecting a sample, and results.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in V - Eligibility that do not appear elsewhere on a workpaper:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

VI. Equipment and Real Property Management

Monitoring Objectives

- To determine that the entity's policies and procedures with regard to the purchase of equipment are adequate and consistent with the State's guidelines.
- To determine that the entity maintains proper records and adequately safeguards and maintains equipment.
- To determine whether disposition or encumbrance of any equipment or real property acquired is in accordance with requirements and that the government (Federal and/or State) was compensated for its share of any property sold or converted.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Local Programs

Notes

- Not all Local Programs contracts involve the purchase of equipment.
- If applicable, TDOT Finance / Fiscal Monitoring Group will request a copy of policies and procedures related to equipment and real property management and a copy of inventory records.
- TDOT Local Programs is responsible for any specific equipment and/or real property management procedures related to a Federal grant and/or related to the nature of the program.

VI. EQUIPMENT AND REAL PROPERTY MANAGEMENT	Initials	Date	WP Reference
<p>1. Refer to documentation relevant to the review of the contract to determine if equipment and/or real property was budgeted and purchased (in whole or in part).</p> <p>Equipment refers to tangible non-expendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. The limit of the acquisition cost is \$5,000 or more per unit for both the State and Federal level.</p> <p>Document your review.</p>			
<p>2. Review the invoices paid by TDOT for the year under review. Determine if any equipment and/or real property has been purchased from funding.</p> <p>If equipment and/or real property was purchased, do the following tests.</p>			
<p>a. Obtain a copy of the inventory record.</p> <p>For equipment purchases, obtain a copy of policies/procedures related to equipment maintenance and/or management (2 CFR part 200.313 (d)).</p>			

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

b. Does the inventory records include the minimal information that is specifically required by the contract and/or by the Federal regulations related to equipment property records in 2 CFR part 200.313(d) (if the contract involves Federal funding)?			
c. Identify equipment and/or real property purchases from the invoices paid by TDOT for the year under review. Trace equipment purchases to the property records. Ensure that equipment is included in property record. Inquire if any discrepancies are noted.			
d. From the property records, physically observe and inspect equipment purchased using contract funding. Document sample, if necessary. Document observation and inspection including observation of safeguards and maintenance. <u>Note:</u> This step can be omitted for a desk review.			
e. Determine if the agency has disposed of any equipment purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including equipment purchased through current and past contracts). If so, determine that dispositions were properly reflected on property records. And, review to ensure that appropriate steps were taken (if necessary) to reimburse TDOT for the government-interest in the equipment. The disposal of equipment must comply with 2 CFR 200.313 Note: This step may be omitted for a desk review except for verifying that disposal procedures followed 2 CFR 200.313. This is based on auditor judgement and agency risk. Document your reasoning.			
f. Determine if the agency has disposed of or converted use of any real property purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including real property purchased through current and past contracts). If so, determine that Local Programs is aware of the disposition or conversion. Such dispositions and/or conversions should only take place under direction of TDOT Local Programs. Document your review. The disposal of real property must comply with 2 CFR 200.311.			

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

Note: This step may be omitted for a desk review except for verifying that disposal procedures followed 2 CFR 200.311. This is based on auditor judgement and agency risk. Document your reasoning.			
3. If real property was acquired: Determine if appraisals and review appraisals were completed. Determine if any purchases for over 110% of appraised value were authorized. Local Programs looks at the greater of 110% of appraised value and \$10,000 over the purchase price to determine if approval is required. Determine if real property is being used for authorized purposes and has not been improperly disposed of.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VI - Equipment and Real Property Management that do not appear elsewhere on a workpaper:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

VII. Matching, Level of Effort, Earmarking

Monitoring Objectives

- To determine that the agency met the minimum requirements for local contributions to match the grant award or incurred the adequate level of expenditures borne by other sources of funds to meet the minimum requirements under the grant program.
- To determine that the agency met the minimum or maximum amount or percentage of the program funding that must be used for specified activities provided by the agency.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

VII. MATCHING, LEVEL OF EFFORT, EARMARKING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify requirements related to match (cost sharing), level of effort, and/or earmarking. Document your review.			
2. If a match and/or level of effort is required, perform the following tests.			
a. Review the contract and document the type and source of match required (match may be allowable costs incurred or contributions including cash and in-kind contributions). Review the contract and document the required level of effort. Document your review.			
b. Test transactions used to match with the allowable costs/cost principles requirements. This test may be performed in conjunction with testing of the requirements in II. Allowable Costs / Costs Principles.			
c. Calculate and determine if match requirements and/or level of effort requirements are met. Note: If the match includes contributions, determine if the values are reasonable, appropriately documented, and in compliance with 2 CFR part 200.434 (for Federally funded contracts).			
d. Inquire to determine if matching funds are from an allowable source. Note: State and Federal funds are not an allowable matching source for Local Programs contracts.			

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

3. If the contract under review contains an earmark, perform the following tests.			
a. Review documentation to determine the requirements associated with the earmark. Document your review.			
b. Design and perform testwork associated with earmark requirements. Earmarking requirements will vary. Document your testwork and review.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VII – Match, Level of Effort, Earmarking that do not appear elsewhere on a workpaper:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

VIII. Period of Performance

Monitoring Objectives

- To determine that the grant funds were used during the period the funds were available.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

VIII. Period of Performance	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify the period of performance/availability of the funding. This should be the period the contract is in force. Document your review.			
2. Select a sample of transactions including those reported and paid by TDOT. If possible, include transactions from the beginning of the contract period. Vouch that the underlying obligations occurred during the period of performance/availability. Document your review. This may be a test attribute performed in another section.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VIII – Period of Performance that do not appear elsewhere on a workpaper:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

IX. Procurement and Suspension & Debarment

Monitoring Objectives

- To determine that purchases were made in compliance with A-102 Common Rule, 2 CFR part 215, and minimum requirements of State and/or Federal guidelines specific to an award.
- To determine that that the no parties were suspended, debarred, or otherwise excluded from participating in the transaction.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- A detail review of the agencies' procurement/purchasing policies is performed in the General Section. The nature of the testing in the section relates to the specific procurement transactions.
- Per Federal regulations, the simplified acquisition threshold is the dollar amount below which an agency may purchase property or services using small purchase methods. The simplified acquisition threshold is set in 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 USC 1908.
- For procurement, under 2 CFR 200.320, if the contract with the engineer or the construction company or vendor is under the simplified acquisition threshold of \$250,000, then a full procurement file will not be required. Only enough to show that the process was followed such as an ad, proposal, or quotes for small purchases.
- On debarment and suspension: Federal Law (A-102 Common Rule and OMB Circular A-110) prohibits non-federal entities from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000 and all non-procurement transactions (e.g., sub-awards to sub-recipients). Contractors receiving individual awards of \$25,000 or more and all sub-recipients must certify that their organization and its principals are not suspended or debarred by a federal agency.

IX. PROCUREMENT AND SUSPENSION & DEBARMENT	Initials	Date	WP Reference
1. Review the contract to determine if the terms of the grant/contract allow for reimbursement for the cost of goods, materials, services, supplies, and/or equipment. If not, these the tests for Procurement may not apply. Document your review.			
2. Procurement - If applicable, design testwork to review procurements over the simplified acquisition threshold for compliance with applicable regulations and guidelines. Document testwork. Document sample selection.			

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

<p>Document review of contract/procurement files.</p> <p>Verify that procurements provide for full and open competition.</p> <p>Verify the agency followed procedures to review for debarment and suspension.</p> <p>This may be attribute testing that appears in another section.</p>			
<p>3. <u>Debarment and Suspension</u> – Review the grant/contract to determine that a debarment/suspension clause is included. By signing the grant contract, the grantee/subrecipient is agreeing to the terms. The grantee/subrecipient should not be debarred or suspended. The program area would have reviewed this at the time of contracting. The grantee/subrecipient is required to immediately notify TDOT of any change in status. A change in status can be reviewed during the monitoring.</p> <p>Per 2 CFR 200, Appendix XI (Compliance Supplement), this verification may be accomplished by (1) checking the System for Award Management (SAM) maintained by the General Services Administration (GSA):https://www.sam.gov/SAM/ and if it is not found either (2) collecting a certification from the entity, or (3) adding a clause or condition to the legal documents associated with the procurement and/or contract with the subcontractor.</p> <p>Document your review.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in IX – Procurement, Suspension, and Debarment that do not appear elsewhere on a workpaper:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

X. Program Income

Monitoring Objectives

- To determine if there is program income from operating the program funded by the State and/or Federal funds.
- To determine if program income is correctly determined, recorded, and used in accordance with governmental and program requirements.
- To determine if program income received was applied to reduce the program expenditures or used in accordance with Federal and/or State guidelines.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

	Initials	Date	WP Reference
X. PROGRAM INCOME			
1. Refer to documentation relevant to the review of the contract to identify if Program Income can be generated from the funding. Review Federal and/or State requirements associated with the recording and use of program income. Document your review.			
2. Inquire of management if program income has been generated by the State and/or Federally funded program. If applicable, determine how this income was received, identified, and recorded.			
3. Review subrecipient audits and internal financial statements for accounts that may capture fees, services, fines, seizures, forfeitures, etc. Summarize assessment.			
4. If applicable, design and document testing of program income. Test to determine that program income: <ul style="list-style-type: none">- was correctly determined/calculated- from allowable sources- properly recorded- used in accordance with 2 CFR section 200.307 and by program requirements.			
5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in X – Program Income that do not appear elsewhere on a worksheet:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

XI. Reporting

Monitoring Objectives

- To determine if the grantee/subrecipient complied with all reporting requirements of the program, contract, regulations, and/or other specific required reporting requirements.
- To determine that the required reports include all activity of the reporting period, are supported by applicable accounting and/or performance records and are fairly presented in accordance with applicable regulations and/or program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Local Programs

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for financial reporting requirements.
- TDOT Local Programs will monitor for reporting requirements related to the Federal grant and/or Local Programs' program.
- Requirements for developing and submitting indirect cost rate proposals and Cost Allocation Plans are contained in Appendices III-VII of the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* as follows below.
 - (1) Appendix III to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
 - (2) Appendix IV to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations;
 - (3) Appendix V to Part 200—State/Local Government and Indian Tribe Central Service Cost Allocation Plans;
 - (4) Appendix VI to Part 200—Public Assistance Cost Allocation Plans; and
 - (5) Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals.
- Please Note – Per CPO Policy 2013-007, in the event that a federal requirement for cost rate proposals or Cost Allocation Plans conflicts with a state requirement, the federal requirement shall control.

XI. REPORTING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract and state agency policy to determine reporting requirements. Document your review.			
2. Identify the specific <u>fiscal</u> reports required by the contract.			
3. Select a sample of fiscal reports to test. Document the selection by listing the reports and attributes tested. Include attributes such as accuracy, timeliness, proper reporting format, and/or adequacy of support.			

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

<p>4. Determine if the Department of Finance and Administration's Policy 03 Uniform Reporting Requirements are applicable for the contract/grant.</p> <p>Governmental and agencies operating <u>one</u> program only are not subject to the requirements.</p>			
<p>5. If Policy 03 is applicable, design testwork to determine compliance with Policy 03. Test to determine that:</p> <ul style="list-style-type: none"> - the authorized Policy 03 is being used - the Policy 03 reports are accurate, supported, and timely - there is a Cost Allocation Plan approved by a cognizant state agency. Secure a copy for the workpaper file. <p>Note - Costs reviewed in II – Allowable Costs / Costs Principles should be allocated to the program/contract in accordance with the Cost Allocation Plan.</p> <p>Document your testwork.</p>			
<p>6. Determine the methodology of accumulating and allocating indirect costs by reviewing cost allocation plans, approved indirect cost rates, and/or discussions with management. Test to determine that the indirect costs are being properly allocated to the contract/program.</p> <p>Document you testwork.</p>			
<p>7. Per contract language, provisional indirect cost rates may be used. Determine if the indirect cost rate used is provisional.</p> <p>If provisional, once the rate becomes final, the Grantee/Subrecipient is to remit any overpayment of funds or TDOT is to remit any underpayment (subject to availability of funding).</p> <p>If provisional, determine if a final rate has been approved. If a final rate has been approved, obtain documentation to verify any needed adjustments were made to account for the indirect costs paid via the provisional rate.</p> <p>Verify the documentation/calculations with prior invoices in Edison.</p> <p>Note: A final rate may not have been determined at the</p>			

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

time of fiscal subrecipient monitoring. It will depend upon the contract and fiscal year end date.			
8. The Fiscal Monitoring Group is only responsible for monitoring reporting of a fiscal nature. If there are any specific reporting requirements related to the program, TDOT Local Programs is responsible for monitoring. Review reporting requirements and discuss with management if there appears to be any uncertainty about the division of responsibility for monitoring.			
9. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XI – Reporting that do not appear elsewhere on a workpaper:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

XII. Special Tests and Provisions

Monitoring Objectives

- To determine compliance with specific provisions related to the type of grant/contract being reviewed.
- To determine compliance with contract requirements not tested in another review section.
- To determine whether other public land acquisition organizations or private consultants are in compliance with 23 CFR section 710.201(b) and related contractual terms and policies.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Local Programs

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for special tests and provisions that are fiscal in nature.
- TDOT Local Programs will monitor for any special tests and provisions that are programmatic in nature.

XII. SPECIAL TESTS AND PROVISIONS	Initials	Date	WP Reference
1. Design and perform tests for specific grant requirements that are not included in testing in Section I through XI.			
2. Specific Contract Requirements: Subcontracting – In Section D of most contracts there is specific language regarding subcontracting the service. Review for subcontracts. Did the subcontract(s) contain the required clauses?			
3. Specific Contract Requirements: Public Accountability – In Section D of most contracts there is a requirement to post a hotline number in relation to Public Accountability. Is that posted? Note – This step can be skipped in a desk review.			
4. Specific Contract Requirements: Public Notice – In Section D of most contracts, there is specific language to be included in public notices. Do public notices, pamphlets, press releases, etc include the required language? Note – This is an area that TDOT Local Programs would review. This can be reviewed by TDOT Finance/ Fiscal Monitoring Group only if it is noted during monitoring activities. Testwork does not have to be designed to test for this requirement.			

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

<p>5. Review documentation relevant to the contract and determine if real property acquisition / right-of-way activities occurred.</p> <p>If so, review documentation to ascertain that compensation offered was based on the appraisal process.</p> <p>Determine that a review appraiser reviewed the appraisal and that the review appraiser prepared a signed statement explaining the basis of any adjustment.</p> <p>Document your testwork and review.</p>			
<p>6. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in XII – Special Tests and Provisions that do not appear elsewhere on a workpaper:

Local Programs - Detail Review Guide for Field and Desk Reviews – Monitoring Year 2023

Enter Sub, contract number, and review date if field review.

XIII. Title VI / Nondiscrimination Compliance

Monitoring Objectives

- To determine that policies and actions taken by the grantee/subrecipient do not exclude any person from employment or participation/benefit of the program based on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal or State law or policy.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Local Programs and TDOT Civil Rights Office

Notes

- TDOT Local Programs has stated that the approving signature of the TDOT Local Programs employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

XIII. Title VI / Nondiscrimination Compliance	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract/program to familiarize yourself with Title VI / Nondiscrimination compliance requirements.			
2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Local Programs program manager (or employee in equivalent position within TDOT Programs) approved the invoices via an approval signature. The approving signature indicates that compliance with monitoring in this compliance requirement are is satisfactory.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XIII – Title VI / Nondiscrimination Compliance that do not appear elsewhere on a workpaper:

Fiscal Exhibit 6 – Detail Review Guide (DRG) / Long Range Planning

Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023

Subrecipient Name and Contract Description

**Fiscal Monitoring Detail Review Guide
COMPLIANCE REQUIREMENT AREAS
LONG RANGE PLANNING
TABLE OF CONTENTS**

	Reference
I. Activities Allowed or Unallowed	I-1
II. Allowable Costs / Cost Principles	II-1
III. Cash Management	III-1
IV. Wage Rate Requirements / Davis-Bacon Act	IV -1
V. Eligibility	V-1
VI. Equipment and Real Property Management	VI-1
VII. Matching, Level of Effort, Earmarking	VII-1
VIII. Period of Performance	VIII-1
IX. Procurement and Suspension & Debarment	IX-1
X. Program Income	X-1
XI. Reporting	XI-1
XII. Special Tests and Provisions	XII-1
XIII. Title VI / Nondiscrimination Compliance.....	XIII-1

Long Range Planning - Detail Review Guide for Field and Desk Reviews –

Monitoring Year 2023

Subrecipient Name and Contract Description

I. ACTIVITIES ALLOWED OR UNALLOWED

Monitoring Objectives

- To determine whether the activities of the program are allowable under the program regulations, laws, and provisions of the contract/grant agreement.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Long Range Planning

Notes

- This Section is monitored by the program area. TDOT Long Range Planning has stated that the approving signature of the TDOT Long Range Planning employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has verified that all items are allowable under the contract and all applicable Federal and State regulations related to the grant/contract.
- The TDOT Fiscal Monitoring Group will include limited review procedures in Activities Allowed or Unallowed to support the efforts of the program area.

I. ACTIVITIES ALLOWED OR UNALLOWED	Initials	Date	W/P Reference
<p>1. Review documentation relevant to the review of the contract/program (program regulations, laws, contractual agreement, etc.) to identify the activities that are specifically allowed and/or prohibited.</p> <p>Document your review.</p> <p>The following information should be considered.</p> <ul style="list-style-type: none">- Does the contract contain Federal funding?- If the contract contains Federal funding, the specific requirements of the governing statutes and regulations are included in the Compliance Supplement Part 4 – Agency Program Requirements or Part 5 – Clusters of Programs, as applicable.- If the contract does not contain Federal funding, the scope of the contract should provide information on the types of activities required. Review the scope of contract and budget of contract to determine activities required.			
<p>2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Long Range Planning program manager (or employee in equivalent position within TDOT Long Range Planning) approved</p>			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

<p>the invoices via an approval signature. The approving signature indicates that he/she has verified that all items on the invoice(s) are allowable activities.</p> <p>Document your review of the TDOT program manager's approval.</p>			
<p>3. Review invoices paid by TDOT during the year under review to determine if activities appear to be allowable under the program regulations, laws, and provisions of the contract/grant agreement.</p> <p>If testing is performed in conjunction with testing in another review section, please explain.</p> <p>Document your review.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that review objectives have been completed.</p> <p>List any weaknesses, items of noncompliance, and/or questioned costs.</p> <p>Draft any findings necessary.</p>			

Documentation of Review Procedures in I - Activities Allowed and Unallowed that do not appear elsewhere on a workpaper:

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

II. ALLOWABLE COSTS / COST PRINCIPLES

Monitoring Objectives

- To determine that costs reported under the program are allowable, adequately documented, and consistent with the provisions of A-102 Common Rule, the Federal awarding agency regulations, the State, TDOT, 2 CFR part 200, cost principles, and/or the terms and conditions of the award.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- The three cost principles are as follows:
 - 2 CFR part 225 - “Cost Principles for State, Local, and Indian Tribal Governments”
 - 2 CFR part 220 - “Cost Principles for Educational Institutions”
 - 2 CFR part 230 - “Cost Principles for Non-Profit Organizations”
- OMB issued final guidance on August 13, 2020, related to the procurement (using Federal funds) covered telecommunications equipment and services offered by various Chinese companies, including Huawei Technologies, ZTE Corporation, Hytera Communications, Hangzhou Hikvision Digital Technology, or Duhua Technology Company. Per 2 CFR 200.216(a), recipients and subrecipients are prohibited from obligating or expending loan or grant funds to 1 procure or obtain, 2 extend or renew a contract to procure or obtains, and 3 enter into a contract (or extend or renew) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of a system, or a critical technology as part of any system. The ban is not preventing subrecipients from using covered telecommunications equipment or services. It does prevent them from procuring such equipment or services with Federal grant funds. The prohibition applies to existing Federal awards as of August 13, 2020. The costs associated with procuring covered telecommunications equipment and services are unallowable under 2 CFR Part 200, Subpart E (Cost Principles).

II. ALLOWABLE COSTS / COST PRINCIPLES	Initials	Date	WP Reference
<p>1. Review documentation relevant to the contract/program under review in order to gain an understanding of the allowable costs of the contract/program.</p> <p>Examples of documentation may include:</p> <ul style="list-style-type: none">- Fiscal manuals- Federal circulars- Federal and State regulations- Cost principles- Contract terms- Contract budgets / line items- Cost allocation plan- Indirect cost rate approval / documentation			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

Document your review.			
<p>2. Design testwork to determine that costs are allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability.</p> <p>Document Testwork Document the selection method. List items and attributes tested.</p> <p>Testing may include review procedures to conclude that -</p> <ul style="list-style-type: none"> a) Costs represent charges for actual costs (not budgeted or projected amounts). b) Costs are given consistent accounting treatment (treatment of direct and indirect costs). c) Costs are calculated in conformity with GAAS or CAS. d) Costs are supported by appropriate documentation. e) Costs are allowable per regulations, cost principles, and/or circulars. f) Costs are paid in accordance with budgeted line items. g) Costs are within the contract term (period of performance). h) Indirect cost rates are applied in accordance with approved rates. i) Other – must design testwork that relates to program/contract. 			
3. If a provisional rate was used to invoice for indirect costs, determine whether a final rate has been established and appropriate claim adjustments have been made in accordance with contract terms.			
4. If applicable, determine if outside engineering is included in costs of the contract/grant. Test to determine if the engineering firm used the correct overhead rate on invoices paid by the subrecipient (based on approved rate for invoice period).			
5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

**Documentation of Review Procedures in II – Allowable Costs / Cost Principles that do not
appear elsewhere on a workpaper:**

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

III. Cash Management

Monitoring Objectives

- To determine that the recipient/subrecipient followed procedures to minimize the time elapsing between the transfer of funds from TDOT and the pay out of funds for program/contract purposes.
- For reimbursement programs, to determine that program costs are paid for with subrecipient funds before reimbursement is requested from TDOT.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- All Long-Range Planning contracts should be cost reimbursement contracts.

III. CASH MANAGEMENT	Initials	Date	WP Reference
<p>1. Review documentation relevant to the contract/program under review in order to gain an understanding of whether or not the awards are funded on a reimbursement payment basis.</p> <p>Document your review.</p>			
<p>2. For cost reimbursement contracts, design testwork to determine that costs are paid with entity funds before reimbursement is requested from TDOT. Design testwork to determine that costs are allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability.</p> <p>Document Testwork.</p> <p>List items and attributes tested.</p> <p>If testing is performed in conjunction with testing in another review section, please explain.</p> <p>If contract is not cost reimbursement, testwork will have to be designed and performed to analyze the time elapsing between the transfer of funds and the pay out for the program/contract.</p>			
<p>3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

Documentation of Review Procedures in III – Cash Management that do not appear elsewhere on a workpaper:

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

IV. Wage Rate Requirements / Davis-Bacon Act

Monitoring Objectives

- To determine that laborer and/or mechanics working under a federal construction contract that exceeded \$2,000, were not paid less than the prevailing wage rates for the locality.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- Not Applicable

Notes

- In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. TDOT has decided to take the approach to monitor Wage Rate Requirements/Davis-Bacon Act as a separate compliance requirement area. This approach is taken to ensure that there is no confusion in the division of responsibilities for monitoring.

IV. WAGE RATE REQUIREMENTS / DAVIS-BACON ACT	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract to identify if the program/project funded involves any federal construction. If there is not a federal construction contract, the following tests in this section do not apply. Document your review.			
2. If applicable, determine if the subrecipient has entered into a federal construction contract equal to or exceeding \$2,000.			
3. If applicable, design testwork to determine that laborer and/or mechanics working under a federal construction contract that exceed \$2,000 were not paid less than the prevailing wage rates for the locality. Document your review.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in IV - Wage Rate Requirements / Davis Bacon Act that do not appear elsewhere on a workpaper:

Long Range Planning - Detail Review Guide for Field and Desk Reviews –

Monitoring Year 2023

Subrecipient Name and Contract Description

V. Eligibility

Monitoring Objectives

- To determine that program participants were determined to be eligible under the applicable program guidelines and remained eligible during the period.
- Amounts provided to or on behalf of eligible participants were calculated in accordance with program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- Not Applicable

Notes

- TDOT Long Range Planning has confirmed that its grants/contracts are issued for the public good. There are no requirements related to individuals or organizations receiving eligible benefits.
- The tests in this section should not be applicable.

V. ELIGIBILITY	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract/program to identify eligibility requirements. Document your review.			
2. If applicable, test a sample of program participants to ensure that applicable eligibility guidelines were met. Document your testwork, sample, method of selecting a sample, and results.			
3. If applicable, test to determine that contract requirements were met with regard to targeted program participant populations and/or area served. Document your testwork, sample, method of selecting a sample, and results.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in V - Eligibility that do not appear elsewhere on a worksheet:

Long Range Planning - Detail Review Guide for Field and Desk Reviews –

Monitoring Year 2023

Subrecipient Name and Contract Description

VI. Equipment and Real Property Management

Monitoring Objectives

- To determine that the entity's policies and procedures with regard to the purchase of equipment are adequate and consistent with the State's guidelines.
- To determine that the entity maintains proper records and adequately safeguards and maintains equipment.
- To determine whether disposition or encumbrance of any equipment or real property acquired is in accordance with requirements and that the government (Federal and/or State) was compensated for its share of any property sold or converted.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Long Range Planning

Notes

- Not all Long-Range Planning contracts involve the purchase of equipment.
- If applicable, TDOT Finance / Fiscal Monitoring Group will request a copy of policies and procedures related to equipment and real property management and a copy of inventory records.
- TDOT Long Range Planning is responsible for any specific equipment and/or real property management procedures related to a Federal grant and/or related to the nature of the program.

VI. EQUIPMENT AND REAL PROPERTY MANAGEMENT	Initials	Date	WP Reference
<p>1. Refer to documentation relevant to the review of the contract to determine if equipment and/or real property was budgeted and purchased (in whole or in part).</p> <p>Equipment refers to tangible non-expendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. The limit of the acquisition cost is \$5,000 or more per unit for both the State and Federal level.</p> <p>Document your review.</p>			
<p>2. Review the invoices paid by TDOT for the year under review. Determine if any equipment and/or real property has been purchased from funding.</p> <p>If equipment and/or real property was purchased, do the following tests.</p>			
<p>a. Obtain a copy of the inventory record.</p> <p>For equipment purchases, obtain a copy of policies/procedures related to equipment</p>			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

maintenance and/or management (2 CFR part 200.313 (d)).			
b. Does the inventory records include the minimal information that is specifically required by the contract and/or by the Federal regulations related to equipment property records in 2 CFR part 200.313(d) (if the contract involves Federal funding)?			
c. Identify equipment and/or real property purchases from the invoices paid by TDOT for the year under review. Trace equipment purchases to the property records. Ensure that equipment is included in property record. Inquire if any discrepancies are noted.			
d. From the property records, physically observe and inspect equipment purchased using contract funding. Document sample, if necessary. Document observation and inspection including observation of safeguards and maintenance. <u>Note:</u> This step can be omitted for a desk review.			
e. Determine if the agency has disposed of any equipment purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including equipment purchased through current and past contracts). If so, determine that dispositions were properly reflected on property records. And, review to ensure that appropriate steps were taken (if necessary) to reimburse TDOT for the government-interest in the equipment. The disposal of equipment must comply with 2 CFR 200.313 Note: This step may be omitted for a desk review except for verifying that disposal procedures followed 2 CFR 200.313. This is based on auditor judgement and agency risk. Document your reasoning.			
f. Determine if the agency has disposed of or converted use of any real property purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including real property purchased through current and past contracts). If so, determine that Long Range Planning is aware of the disposition or conversion. Such dispositions			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

<p>and/or conversions should only take place under direction of TDOT Long Range Planning. Document your review.</p> <p>The disposal of real property must comply with 2 CFR 200.311.</p> <p>Note: This step may be omitted for a desk review except for verifying that disposal procedures followed 2 CFR 200.311. This is based on auditor judgement and agency risk. Document your reasoning.</p>			
<p>3. If real property was acquired: Determine if appraisals and review appraisals were completed. Determine if any purchases for over 110% of appraised value were authorized. Determine if real property is being used for authorized purposes and has not been improperly disposed of.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in VI - Equipment and Real Property Management that do not appear elsewhere on a workpaper:

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

VII. Matching, Level of Effort, Earmarking

Monitoring Objectives

- To determine that the agency met the minimum requirements for local contributions to match the grant award or incurred the adequate level of expenditures borne by other sources of funds to meet the minimum requirements under the grant program.
- To determine that the agency met the minimum or maximum amount or percentage of the program funding that must be used for specified activities provided by the agency.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

VII. MATCHING, LEVEL OF EFFORT, EARMARKING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify requirements related to match (cost sharing), level of effort, and/or earmarking. Document your review.			
2. If a match and/or level of effort is required, perform the following tests.			
a. Review the contract and document the type and source of match required (match may be allowable costs incurred or contributions including cash and in-kind contributions). Review the contract and document the required level of effort. Document your review.			
b. Test transactions used to match with the allowable costs/cost principles requirements. This test may be performed in conjunction with testing of the requirements in II. Allowable Costs / Costs Principles.			
c. Calculate and determine if match requirements and/or level of effort requirements are met. Note: If the match includes contributions, determine if the values are reasonable, appropriately documented, and in compliance with 2 CFR part 200.434 (for Federally funded contracts).			
d. Inquire to determine if matching funds are from an allowable source. Note: State and Federal funds are not an allowable matching source for Long Range Planning			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

contracts.			
3. If the contract under review contains an earmark, perform the following tests.			
a. Review documentation to determine the requirements associated with the earmark. Document your review.			
b. Design and perform testwork associated with earmark requirements. Earmarking requirements will vary. Document your testwork and review.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VII – Match, Level of Effort, Earmarking that do not appear elsewhere on a workpaper:

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

VIII. Period of Performance

Monitoring Objectives

- To determine that the grant funds were used during the period the funds were available.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

VIII. Period of Performance	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify the period of performance/availability of the funding. This should be the period the contract is in force. Document your review.			
2. Select a sample of transactions including those reported and paid by TDOT. If possible, include transactions from the beginning of the contract period. Vouch that the underlying obligations occurred during the period of performance/availability. Document your review. This may be a test attribute performed in another section.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VIII – Period of Performance that do not appear elsewhere on a workpaper:

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

IX. Procurement and Suspension & Debarment

Monitoring Objectives

- To determine that purchases were made in compliance with A-102 Common Rule, 2 CFR part 215, and minimum requirements of State and/or Federal guidelines specific to an award.
- To determine that the no parties were suspended, debarred, or otherwise excluded from participating in the transaction.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- A detail review of the agencies' procurement/purchasing policies is performed in the General Section. The nature of the testing in the section relates to the specific procurement transactions.
- Per Federal regulations, the simplified acquisition threshold is the dollar amount below which an agency may purchase property or services using small purchase methods. The simplified acquisition threshold is set in 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 USC 1908.
- For procurement, under 2 CFR 200.320, if the contract with the engineer or the construction company or vendor is under the simplified acquisition threshold of \$250,000, then a full procurement file will not be required. Only enough to show that the process was followed such as an ad, proposal, or quotes for small purchases.
- On debarment and suspension: Federal Law (A-102 Common Rule and OMB Circular A-110) prohibits non-federal entities from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000 and all non-procurement transactions (e.g., sub-awards to sub-recipients). Contractors receiving individual awards of \$25,000 or more and all sub-recipients must certify that their organization and its principals are not suspended or debarred by a federal agency.

IX. PROCUREMENT AND SUSPENSION & DEBARMENT	Initials	Date	WP Reference
1. Review the contract to determine if the terms of the grant/contract allow for reimbursement for the cost of goods, materials, services, supplies, and/or equipment. If not, these the tests for Procurement may not apply. Document your review.			
2. <u>Procurement</u> - If applicable, design testwork to review procurements over the simplified acquisition threshold for compliance with applicable regulations and guidelines. Document testwork.			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

<p>Document sample selection.</p> <p>Document review of contract/procurement files.</p> <p>Verify that procurements provide for full and open competition.</p> <p>Verify the agency followed procedures to review for debarment and suspension.</p> <p>This may be attribute testing that appears in another section.</p>			
<p>3. <u>Debarment and Suspension</u> – Review the grant/contract to determine that a debarment/suspension clause is included. By signing the grant contract, the grantee/subrecipient is agreeing to the terms. The grantee/subrecipient should not be debarred or suspended. The program area would have reviewed this at the time of contracting. The grantee/subrecipient is required to immediately notify TDOT of any change in status. A change in status can be reviewed during the monitoring.</p> <p>Per 2 CFR 200, Appendix XI (Compliance Supplement), this verification may be accomplished by (1) checking the System for Award Management (SAM) maintained by the General Services Administration (GSA):https://www.sam.gov/SAM/ and if it is not found either (2) collecting a certification from the entity, or (3) adding a clause or condition to the legal documents associated with the procurement and/or contract with the subcontractor.</p> <p>Document your review.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in IX – Procurement, Suspension, and Debarment that do not appear elsewhere on a workpaper:

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

X. Program Income

Monitoring Objectives

- To determine if there is program income from operating the program funded by the State and/or Federal funds.
- To determine if program income is correctly determined, recorded, and used in accordance with governmental and program requirements.
- To determine if program income received was applied to reduce the program expenditures or used in accordance with Federal and/or State guidelines.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

	Initials	Date	WP Reference
X. PROGRAM INCOME			
1. Refer to documentation relevant to the review of the contract to identify if Program Income can be generated from the funding. Review Federal and/or State requirements associated with the recording and use of program income. Document your review.			
2. Inquire of management if program income has been generated by the State and/or Federally funded program. If applicable, determine how this income was received, identified, and recorded.			
3. Review subrecipient audits and internal financial statements for accounts that may capture fees, services, fines, seizures, forfeitures, etc. Summarize assessment.			
4. If applicable, design and document testing of program income. Test to determine that program income: <ul style="list-style-type: none">- was correctly determined/calculated- from allowable sources- properly recorded- used in accordance with 2 CFR section 200.307 and by program requirements.			
5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

**Documentation of Review Procedures in X – Program Income that do not appear elsewhere
on a workpaper:**

Long Range Planning - Detail Review Guide for Field and Desk Reviews –

Monitoring Year 2023

Subrecipient Name and Contract Description

XI. Reporting

Monitoring Objectives

- To determine if the grantee/subrecipient complied with all reporting requirements of the program, contract, regulations, and/or other specific required reporting requirements.
- To determine that the required reports include all activity of the reporting period, are supported by applicable accounting and/or performance records and are fairly presented in accordance with applicable regulations and/or program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Long Range Planning

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for financial reporting requirements, including the grant disbursement report on closed contracts under Section C.7. This report is not required if the grant is cost-reimbursement and there is no local match requirement.
- TDOT Long Range Planning will monitor for reporting requirements related to the Federal grant and/or Planning program, including the final report on closed contracts under Section D.18.
- Requirements for developing and submitting indirect cost rate proposals and Cost Allocation Plans are contained in Appendices III-VII of the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* as follows below.
 - (1) Appendix III to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
 - (2) Appendix IV to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations;
 - (3) Appendix V to Part 200—State/Local Government and Indian Tribe Central Service Cost Allocation Plans;
 - (4) Appendix VI to Part 200—Public Assistance Cost Allocation Plans; and
 - (5) Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals.
- Please Note – Per CPO Policy 2013-007, in the event that a federal requirement for cost rate proposals or Cost Allocation Plans conflicts with a state requirement, the federal requirement shall control.

XI. REPORTING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract and state agency policy to determine reporting requirements. Document your review.			
2. Identify the specific <u>fiscal</u> reports required by the contract.			
3. Select a sample of fiscal reports to test. Document the selection by listing the reports and attributes tested. Include attributes such as accuracy, timeliness, proper			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

reporting format, and/or adequacy of support.			
<p>4. Determine if the Department of Finance and Administration's Policy 03 Uniform Reporting Requirements are applicable for the contract/grant.</p> <p>Governmental and agencies operating <u>one</u> program only are not subject to the requirements.</p>			
<p>5. If Policy 03 is applicable, design testwork to determine compliance with Policy 03. Test to determine that:</p> <ul style="list-style-type: none"> - the authorized Policy 03 is being used - the Policy 03 reports are accurate, supported, and timely - there is a Cost Allocation Plan approved by a cognizant state agency. Secure a copy for the workpaper file. <p>Note - Costs reviewed in II – Allowable Costs / Costs Principles should be allocated to the program/contract in accordance with the Cost Allocation Plan.</p> <p>Document your testwork.</p>			
<p>6. Determine the methodology of accumulating and allocating indirect costs by reviewing cost allocation plans, approved indirect cost rates, and/or discussions with management. Test to determine that the indirect costs are being properly allocated to the contract/program.</p> <p>Document your testwork.</p>			
<p>7. Per contract language, provisional indirect cost rates may be used. Determine if the indirect cost rate used is provisional.</p> <p>If provisional, once the rate becomes final, the Grantee/Subrecipient is to remit any overpayment of funds or TDOT is to remit any underpayment (subject to availability of funding).</p> <p>If provisional, determine if a final rate has been approved. If a final rate has been approved, obtain documentation to verify any needed adjustments were made to account for the indirect costs paid via the provisional rate.</p>			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

Verify the documentation/calculations with prior invoices in Edison. Note: A final rate may not have been determined at the time of fiscal subrecipient monitoring. It will depend upon the contract and fiscal year end date.			
8. The Fiscal Monitoring Group is only responsible for monitoring reporting of a fiscal nature. If there are any specific reporting requirements related to the program, TDOT Long Range Planning is responsible for monitoring. Review reporting requirements and discuss with management if there appears to be any uncertainty about the division of responsibility for monitoring.			
9. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XI – Reporting that do not appear elsewhere on a workpaper:

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

XII. Special Tests and Provisions

Monitoring Objectives

- To determine compliance with specific provisions related to the type of grant/contract being reviewed.
- To determine compliance with contract requirements not tested in another review section.
- To determine whether other public land acquisition organizations or private consultants are in compliance with 23 CFR section 710.201(b) and related contractual terms and policies.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Long Range Planning

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for special tests and provisions that are fiscal in nature.
- TDOT Long Range Planning will monitor for any special tests and provisions that are programmatic in nature.

XII. SPECIAL TESTS AND PROVISIONS	Initials	Date	WP Reference
1. Design and perform tests for specific grant requirements that are not included in testing in Section I through XI.			
2. Specific Contract Requirements: Subcontracting – In Section D of most contracts there is specific language regarding subcontracting the service. Review for subcontracts. Did the subcontract(s) contain the required clauses?			
3. Specific Contract Requirements: Public Accountability – In Section D of most contracts there is a requirement to post a hotline number in relation to Public Accountability. Is that posted? Note – This step can be skipped in a desk review.			
4. Specific Contract Requirements: Public Notice – In Section D of most contracts, there is specific language to be included in public notices. Do public notices, pamphlets, press releases, etc include the required language? Note – This is an area that TDOT Long Range Planning would review. This can be reviewed by TDOT Finance/ Fiscal Monitoring Group only if it is noted during monitoring activities. Testwork does not have to be designed to test for this requirement.			

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

<p>5. Review documentation relevant to the contract and determine if real property acquisition / right-of-way activities occurred.</p> <p>If so, review documentation to ascertain that compensation offered was based on the appraisal process.</p> <p>Determine that a review appraiser reviewed the appraisal and that the review appraiser prepared a signed statement explaining the basis of any adjustment.</p> <p>Document your testwork and review.</p>			
<p>6. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in XII – Special Tests and Provisions that do not appear elsewhere on a workpaper:

**Long Range Planning - Detail Review Guide for Field and Desk Reviews –
Monitoring Year 2023**

Subrecipient Name and Contract Description

XIII. Title VI / Nondiscrimination Compliance

Monitoring Objectives

- To determine that policies and actions taken by the grantee/subrecipient do not exclude any person from employment or participation/benefit of the program based on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal or State law or policy.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Long Range Planning and TDOT Civil Rights Office

Notes

- Each MPO and RPO has a person assigned to Title VI compliance requirements.
- TDOT Long Range Planning has stated that the approving signature of the authorized local agency personnel and TDOT Long Range Planning employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

XIII. Title VI / Nondiscrimination Compliance	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract/program to familiarize yourself with Title VI / Nondiscrimination compliance requirements.			
2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Long Range Planning program manager (or employee in equivalent position within TDOT Long Range Planning) approved the invoices via an approval signature. The approving signature indicates that compliance with monitoring in this compliance requirement are is satisfactory.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XIII – Title VI / Nondiscrimination Compliance that do not appear elsewhere on a workpaper:

Fiscal Exhibit 7 – Detail Review Guide (DRG) / Multimodal

**FISCAL MONITORING DETAIL REVIEW GUIDE
COMPLIANCE REQUIREMENT AREAS
MULTI-MODAL TRANSPORTATION RESOURCES
TABLE OF CONTENTS**

	Reference
I. Activities Allowed or Unallowed	I-1
II. Allowable Costs / Cost Principles	II-1
III. Cash Management	III-1
IV. Wage Rate Requirements / Davis-Bacon Act	IV -1
V. Eligibility	V-1
VI. Equipment and Real Property Management	VI-1
VII. Matching, Level of Effort, Earmarking	VII-1
VIII. Period of Performance	VIII-1
IX. Procurement and Suspension & Debarment	IX-1
X. Program Income	X-1
XI. Reporting	XI-1
XII. Special Tests and Provisions	XII-1
XIII. Title VI / Nondiscrimination Compliance	XIII-1

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

I. ACTIVITIES ALLOWED OR UNALLOWED

Monitoring Objectives

- To determine whether the activities of the program are allowable under the program regulations, laws, and provisions of the contract/grant agreement.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Multi-Modal

Notes

- This Section is monitored by the program area. TDOT Multimodal has stated that the approving signature of the TDOT Multi-modal employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has verified that all items are allowable under the contract and all applicable Federal and State regulations related to the grant/contract.
- The TDOT Fiscal Monitoring Group will include limited review procedures in Activities Allowed or Unallowed to support the efforts of the program area.
- Generally, under all transit programs (not multimodal planning), capital activities, as defined in 49 USC 5302 (3), are eligible activities, including preventive maintenance and certain expenses related to crime prevention and security (49 USC 5307(a), 5309(b), 5337(b), and 5339(a)).
- Under the transit 5337 program, the only capital projects authorized are projects that implement a transit asset management plan and projects that maintain, rehabilitate, and replace assets for high intensity fixed guideway and motorbus systems in a state of good repair (49 USC 5337(b)).
- Under the 5339 program, the only capital projects authorized are bus, bus facilities, and bus-related equipment projects (49 USC 5339(a)).
- Under the 5337 program, mobility management, operating expenses and alternative analysis (including planning, with funds appropriated after FY 2005) are not allowable (49 USC 5337).
- Under the 5339 program, preventive maintenance and rail-related activities are not allowable (49 USC 5339).
- The following are allowable activities under the 5311 program.
 - a) Local transportation service (transit to the public) in a rural area (49 USC 5311(d))
 - b) Support of intercity bus transportation (49 USC 5311(f))
 - c) Coordination of public transportation assisted under this section with transportation service assisted by other United States Government sources is permitted and encouraged (49 USC 5311(b))
 - d) Planning, operating and capital projects (49 USC 4911(b)(1))
 - e) Job access and reverse commute projects, and the acquisition of public transportation services, including service agreements with private providers of public transportation (49 USC 5311(b)(1)).
 - f) Rural Transportation Assistance Program (RTAP) funds may be used to provide training, technical assistance, research and related support services for providers of rural public transit and related services (49 USC 5311(b)(3)).

I. ACTIVITIES ALLOWED OR UNALLOWED	Initials	Date	W/P Reference
1. Review documentation relevant to the review of the contract/program (program regulations, laws, contractual agreement, etc.) to identify the activities			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

<p>that are specifically allowed and/or prohibited.</p> <p>Document your review.</p> <p>The following information should be considered.</p> <ul style="list-style-type: none">- Does the contract contain Federal funding?- If the contract contains Federal funding, the specific requirements of the governing statutes and regulations are included in the Compliance Supplement Part 4 – Agency Program Requirements or Part 5 – Clusters of Programs, as applicable.- If the contract does not contain Federal funding, the scope of the contract should provide information on the types of activities required. Review the scope of contract and budget of contract to determine activities required.			
<p>2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Multi-modal program manager (or employee in equivalent position within TDOT Multi-modal) approved the invoices via an approval signature. The approving signature indicates that he/she has verified that all items on the invoice(s) are allowable activities.</p> <p>Document your review of the TDOT program manager's approval.</p>			
<p>3. Review invoices paid by TDOT during the year under review to determine if activities appear to be allowable under the program regulations, laws, and provisions of the contract/grant agreement.</p> <p>If testing is performed in conjunction with testing in another review section, please explain.</p> <p>Document your review.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that review objectives have been completed.</p> <p>List any weaknesses, items of noncompliance, and/or questioned costs.</p> <p>Draft any findings necessary.</p>			

Documentation of Review Procedures in I - Activities Allowed and Unallowed that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

II. ALLOWABLE COSTS / COST PRINCIPLES

Monitoring Objectives

- To determine that costs reported under the program are allowable, adequately documented, and consistent with the provisions of A-102 Common Rule, the Federal awarding agency regulations, the State, TDOT, 2 CFR part 200, cost principles, and/or the terms and conditions of the award.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- The three cost principles are as follows:
 - 2 CFR part 225 - “Cost Principles for State, Local, and Indian Tribal Governments”
 - 2 CFR part 220 - “Cost Principles for Educational Institutions”
 - 2 CFR part 230 - “Cost Principles for Non-Profit Organizations”
- OMB issued final guidance on August 13, 2020, related to the procurement (using Federal funds) covered telecommunications equipment and services offered by various Chinese companies, including Huawei Technologies, ZTE Corporation, Hytera Communications, Hangzhou Hikvision Digital Technology, or Duhua Technology Company. Per 2 CFR 200.216(a), recipients and subrecipients are prohibited from obligating or expending loan or grant funds to 1 procure or obtain, 2 extend or renew a contract to procure or obtains, and 3 enter into a contract (or extend or renew) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of a system, or a critical technology as part of any system. The ban is not preventing subrecipients from using covered telecommunications equipment or services. It does prevent them from procuring such equipment or services with Federal grant funds. The prohibition applies to existing Federal awards as of August 13, 2020. The costs associated with procuring covered telecommunications equipment and services are unallowable under 2 CFR Part 200, Subpart E (Cost Principles).

II. ALLOWABLE COSTS / COST PRINCIPLES	Initials	Date	WP Reference
<p>1. Review documentation relevant to the contract/program under review in order to gain an understanding of the allowable costs of the contract/program.</p> <p>Examples of documentation may include:</p> <ul style="list-style-type: none">- Fiscal manuals- Federal circulars- Federal and State regulations- Cost principles- Contract terms- Contract budgets / line items- Cost allocation plan- Indirect cost rate approval / documentation			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

Document your review.			
<p>2. Design testwork to determine that costs are allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability.</p> <p>Document Testwork Document the selection method. List items and attributes tested.</p> <p>Testing may include review procedures to conclude that -</p> <ul style="list-style-type: none"> a) Costs represent charges for actual costs (not budgeted or projected amounts). b) Costs are given consistent accounting treatment (treatment of direct and indirect costs). c) Costs are calculated in conformity with GAAS or CAS. d) Costs are supported by appropriate documentation. e) Costs are allowable per regulations, cost principles, and/or circulars. f) Costs are paid in accordance with budgeted line items. g) Costs are within the contract term (period of performance). h) Indirect cost rates are applied in accordance with approved rates. i) Other – must design testwork that relates to program/contract. 			
3. If a provisional rate was used to invoice for indirect costs, determine whether a final rate has been established and appropriate claim adjustments have been made in accordance with contract terms.			
4. If applicable, determine if outside engineering is included in costs of the contract/grant. Test to determine if the engineering firm used the correct overhead rate on invoices paid by the subrecipient (based on approved rate for invoice period).			
<p>5. For contracts issued in FY 2016 and after, determine compliance with the contract related to retainage. The subrecipient and any contractor involved in the project should not withhold retainage on progress payments if the contract was issued in FY 2016 or after.</p> <p>Document your review.</p>			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

6. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			
--	--	--	--

Documentation of Review Procedures in II – Allowable Costs / Cost Principles that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

III. Cash Management

Monitoring Objectives

- To determine that the recipient/subrecipient followed procedures to minimize the time elapsing between the transfer of funds from TDOT and the pay out of funds for program/contract purposes.
- For reimbursement programs, to determine that program costs are paid for with subrecipient funds before reimbursement is requested from TDOT.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- All Multimodal contracts should be cost reimbursement contracts.

III. CASH MANAGEMENT	Initials	Date	WP Reference
1. Review documentation relevant to the contract/program under review in order to gain an understanding of whether or not the awards are funded on a reimbursement payment basis. Document your review.			
2. For cost reimbursement contracts, design testwork to determine that costs are paid with entity funds before reimbursement is requested from TDOT. allowable per the monitoring objectives. Testwork should include testing a sample of invoices and/or transactions for allowability. Document Testwork. List items and attributes tested. If testing is performed in conjunction with testing in another review section, please explain. If contract is not cost reimbursement, testwork will have to be designed and performed to analyze the time elapsing between the transfer of funds and the pay out for the program/contract.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

Documentation of Review Procedures in III – Cash Management that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

IV. Wage Rate Requirements / Davis-Bacon Act

Monitoring Objectives

- To determine that laborer and/or mechanics working under a federal construction contract that exceeded \$2,000, were not paid less than the prevailing wage rates for the locality.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Multi-modal

Notes

- In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. TDOT has decided to take the approach to monitor Wage Rate Requirements/Davis-Bacon Act as a separate compliance requirement area. This approach is taken to ensure that there is no confusion in the division of responsibilities for monitoring.
- When this compliance requirement area is applicable, TDOT Multi-modal requires the subrecipient to verify that pay rates are in compliance with prevailing local wage rates.
- The signature of the TDOT Multi-modal employee on the request for payment will indicate that he/she has reviewed compliance with Wage Rate Requirements/Davis-Bacon Act.

IV. WAGE RATE REQUIREMENTS / DAVIS-BACON ACT	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract to identify if the program/project funded involves any federal construction. If there is not a federal construction contract, the following tests in this section do not apply. Document your review.			
2. If applicable, determine if the subrecipient has entered into a federal construction contract equal to or exceeding \$2,000.			
3. If applicable, review the invoices paid by TDOT during the year under review and determine if a TDOT Multi-modal program manager (or person in equivalent position within TDOT Multi-modal) approved the invoice(s) via an approval signature. The approval signature indicates that he/she has reviewed Wage Rate Requirements / Davis-Bacon Act. Document your review of the TDOT program manager's approval.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

Documentation of Review Procedures in IV - Wage Rate Requirements / Davis Bacon Act that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

V. Eligibility

Monitoring Objectives

- To determine that program participants were determined to be eligible under the applicable program guidelines and remained eligible during the period.
- Amounts provided to or on behalf of eligible participants were calculated in accordance with program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Multi-modal

Notes

- These tests are not always applicable.
- When and if applicable, the approving signature of the Multimodal employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area has been performed.

V. ELIGIBILITY	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract/program to identify eligibility requirements. Document your review.			
2. If applicable, test a sample of program participants to ensure that applicable eligibility guidelines were met. Document your testwork, sample, method of selecting a sample, and results.			
3. If applicable, test to determine that contract requirements were met with regard to targeted program participant populations and/or area served. Document your testwork, sample, method of selecting a sample, and results.			
4. If applicable, review the invoices paid by TDOT during the year under review and determine if a TDOT Multi-modal program manager (or person in equivalent position within TDOT Multi-modal) approved the invoice(s) via an approval signature. The approval signature indicates that he/she has reviewed Eligibility requirements. Document your review of the TDOT program manager's approval.			
5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

any findings necessary.			
-------------------------	--	--	--

Documentation of Review Procedures in V - Eligibility that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

VI. Equipment and Real Property Management

Monitoring Objectives

- To determine that the entity's policies and procedures with regard to the purchase of equipment are adequate and consistent with the State's guidelines.
- To determine that the entity maintains proper records and adequately safeguards and maintains equipment.
- To determine whether disposition or encumbrance of any equipment or real property acquired is in accordance with requirements and that the government (Federal and/or State) was compensated for its share of any property sold or converted.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Multimodal

Notes

- Not all Multi-modal contracts involve the purchase of equipment. For example, Multi-modal Planning contracts do not involve the purchase of equipment.
- If applicable, TDOT Finance / Fiscal Monitoring Group will perform limited monitoring procedures. The TDOT Finance/ Fiscal Monitoring Group will request a copy of policies and procedures related to purchasing and a copy of inventory records.
- TDOT Multimodal is responsible for any specific equipment and/or real property management procedures related to a Federal grant and/or related to the nature of the program. This includes Multi-modal's responsibility to monitor for compliance with the State Management Plan. This also includes monitoring for compliance with Infrastructure Investment and Jobs Act, 49 USC 5334(h)(4)(B).
- Recipients, with FTA approval, are allowed to transfer, sell, or lease property, equipment, or supplies acquired with transit funds that are no longer needed for transit purposes. FTA may authorize the recipient to transfer the asset to a local governmental authority to be used for a public purpose (49 USC 5334(h)(1) through (h)(3)). If a recipient sells the asset, the proceeds must be used to reduce the gross project costs of another federally funded capital transit project (49 USC 5334(h)(4)) or handled as stated in 49 CFR sections 18.31 or 18.32/2 CFR sections 200.311 or 200.313 (49 USC 5334(h)) and FTA Circular 5010.1).

VI. EQUIPMENT AND REAL PROPERTY MANAGEMENT	Initials	Date	WP Reference
<p>1. Refer to documentation relevant to the review of the contract to determine if equipment and/or real property was budgeted and purchased (in whole or in part).</p> <p>Equipment refers to tangible non-expendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. The limit of the acquisition cost is \$5,000 or more per unit for both the State and Federal level.</p> <p>Document your review.</p>			
<p>2. Review the invoices paid by TDOT for the year under review. Determine if any equipment and/or real</p>			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

<p>property has been purchased from funding.</p> <p>If equipment and/or real property was purchased, do the following tests.</p>			
<p>a. Obtain a copy of the inventory record.</p> <p>For equipment purchases, obtain a copy of policies/procedures related to equipment maintenance and/or management (2 CFR part 200.313 (d)).</p>			
<p>b. Does the inventory records include the minimal information that is specifically required by the contract and/or by the Federal regulations related to equipment property records in 2 CFR part 200.313(d) (if the contract involves Federal funding)?</p>			
<p>c. Identify equipment and/or real property purchases from the invoices paid by TDOT for the year under review. Trace equipment purchases to the property records. Ensure that equipment is included in property record. Inquire if any discrepancies are noted.</p>			
<p>d. From the property records, physically observe and inspect equipment purchased using contract funding. Document sample, if necessary. Document observation and inspection including observation of safeguards and maintenance.</p> <p><u>Note:</u> This step can be omitted for a desk review.</p>			
<p>e. Determine if the agency has disposed of any equipment purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including equipment purchased through current and past contracts). If so, determine that dispositions were properly reflected on property records. And, review to ensure that appropriate steps were taken (if necessary) to reimburse TDOT for the government-interest in the equipment.</p> <p>The disposal of equipment must comply with 2 CFR 200.313 and the Infrastructure Investment and Jobs Act, 49 USC 5334(h)(4)(B).</p> <p>Note: This step may be omitted for a desk review except for verifying that disposal procedures followed 2 CFR 200.313. This is based on auditor judgement and agency risk. Document your</p>			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

reasoning.			
<p>f. Determine if the agency has disposed of or converted use of any real property purchased with State (TDOT) and/or Federal (passed through TDOT) funds (including real property purchased through current and past contracts). If so, determine that Multimodal is aware of the disposition or conversion. Such dispositions and/or conversions should only take place under direction of TDOT Multimodal. Document your review.</p> <p>The disposal of real property must comply with 2 CFR 200.311.</p> <p>Note: This step may be omitted for a desk review except for verifying that disposal procedures followed 2 CFR 200.311. This is based on auditor judgement and agency risk. Document your reasoning.</p>			
<p>3. If real property was acquired: Determine if appraisals and review appraisals were completed. Determine if any purchases for over 110% of appraised value were authorized. Determine if real property is being used for authorized purposes and has not been improperly disposed of.</p>			
<p>4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.</p>			

Documentation of Review Procedures in VI - Equipment and Real Property Management that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

VII. Matching, Level of Effort, Earmarking

Monitoring Objectives

- To determine that the agency met the minimum requirements for local contributions to match the grant award or incurred the adequate level of expenditures borne by other sources of funds to meet the minimum requirements under the grant program.
- To determine that the agency met the minimum or maximum amount or percentage of the program funding that must be used for specified activities provided by the agency.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

VII. MATCHING, LEVEL OF EFFORT, EARMARKING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify requirements related to match (cost sharing), level of effort, and/or earmarking. Document your review.			
2. If a match and/or level of effort is required, perform the following tests.			
a. Review the contract and document the type and source of match required (match may be allowable costs incurred or contributions including cash and in-kind contributions). Review the contract and document the required level of effort. Document your review.			
b. Test transactions used to match with the allowable costs/cost principles requirements. This test may be performed in conjunction with testing of the requirements in II. Allowable Costs / Costs Principles.			
c. Calculate and determine if match requirements and/or level of effort requirements are met. Note: If the match includes contributions, determine if the values are reasonable, appropriately documented, and in compliance with 2 CFR part 200.434 (for Federally funded contracts).			
d. Inquire to determine if matching funds are from an allowable source. Note: State and Federal funds are not an allowable matching source.			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

3. If the contract under review contains an earmark, perform the following tests.			
a. Review documentation to determine the requirements associated with the earmark. Document your review.			
b. Design and perform testwork associated with earmark requirements. Earmarking requirements will vary. Document your testwork and review.			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VII – Match, Level of Effort, Earmarking that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

VIII. Period of Performance

Monitoring Objectives

- To determine that the grant funds were used during the period the funds were available.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

VIII. Period of Performance	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract to identify the period of performance/availability of the funding. This should be the period the contract is in force. Document your review.			
2. Select a sample of transactions including those reported and paid by TDOT. If possible, include transactions from the beginning of the contract period. Vouch that the underlying obligations occurred during the period of performance/availability. Document your review. This may be a test attribute performed in another section.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in VIII – Period of Performance that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

IX. Procurement and Suspension & Debarment

Monitoring Objectives

- To determine that purchases were made in compliance with A-102 Common Rule, 2 CFR part 215, and minimum requirements of State and/or Federal guidelines specific to an award.
- To determine that that the no parties were suspended, debarred, or otherwise excluded from participating in the transaction.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- A detail review of the agencies' procurement/purchasing policies is performed in the General Section. The nature of the testing in the section relates to the specific procurement transactions.
- Per Federal regulations, the simplified acquisition threshold is the dollar amount below which an agency may purchase property or services using small purchase methods. The simplified acquisition threshold is set in 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 USC 1908.
- For procurement, under 2 CFR 200.320, if the contract with the engineer or the construction company or vendor is under the simplified acquisition threshold of \$250,000, then a full procurement file will not be required. Only enough to show that the process was followed such as an ad, proposal, or quotes for small purchases.
- On debarment and suspension: Federal Law (A-102 Common Rule and OMB Circular A-110) prohibits non-federal entities from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000 and all non-procurement transactions (e.g., sub-awards to sub-recipients). Contractors receiving individual awards of \$25,000 or more and all sub-recipients must certify that their organization and its principals are not suspended or debarred by a federal agency.
- Buy America – Applies to Federal Transit Cluster (20.500, 20.507, 20.525, and 20.526), Formula Grants for Rural Area (20.509), Transit Services Programs (20.513, 20.516, and 20.521), and Emergency Transit Relief Program (20.527) – All steel, iron, and manufactured products used in the project must be produced in the U.S., as demonstrated by a Buy America certificate, but, in the case of rolling stock, the cost of components produced in the United States is more than 60 percent of the cost of all components of the rolling stock and final assembly of vehicle takes place in the U.S. (49 CFR part 661). 49 CFR section 661.7 and 661.11 provides waivers.
- A recipient that purchases rolling stock for transportation of passengers in revenue service must conduct, or cause to be conducted, a pre-award audit before entering into a formal contract for the purchase of rolling stock, and certify that a post-delivery audit is complete before title to the rolling stock is transferred to the recipient, or the rolling stock is put into revenue service, whichever occurs first. Pre-award and post-delivery audits verify the accuracy of the Buy America certification, purchaser's requirements certification, and certification of compliance with or inapplicability of Federal motor vehicle safety standards in 49 CFR part 571 (49 CFR part 663).
- DBE – Applies to Federal Transit Cluster (20.500, 20.507, 20.525, and 20.526), Formula Grants for Rural Areas (20.509), Transit Services Programs (20.513, 20.516, and 20.521), and Emergency Transit Relief Program (20.527) – Recipients shall require that , as a condition to

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

bid on a transit vehicle procurement in which FTA funds are involved, each transit vehicle manufacturer certify that it has complied with the requirements of 49 CFR section 26.49. Recipients may, with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles that a manufacturer must meet (49 CFR section 26.49(d)).

- Procurement of Vehicles and Facilities – Applies to Federal Transit Cluster (20.500, 20.507, 20.525, and 20.526), Formula Grants for Rural Areas (20.509), Transit Services Programs (20.513, 20.516, and 20.521), and Emergency Transit Relief Program (20.527) – In prohibiting discrimination in the provisions of transportation services against persons with disabilities, the Americans with Disabilities Act of 1990 requires that vehicles purchased or leased after August 25, 1990, and new and altered facilities designed and constructed (as marked by the notice to proceed) after January 25, 1992, must comply with the applicable standards of accessibility in 49 CFR parts 37 and 38 (42 USC 12101-12213).
- OMB issued final guidance on August 13, 2020, related to the procurement (using Federal funds) covered telecommunications equipment and services offered by various Chinese companies, including Huawei Technologies, ZTE Corporation, Hytera Communications, Hangzhou Hikvision Digital Technology, or Duhua Technology Company. Per 2 CFR 200.216(a), recipients and subrecipients are prohibited from obligating or expending loan or grant funds to 1 procure or obtain, 2 extend or renew a contract to procure or obtains, and 3 enter into a contract (or extend or renew) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of a system, or a critical technology as part of any system. The ban does not prevent subrecipients from using covered telecommunications equipment or services. It does prevent them from procuring such equipment or services with Federal grant funds. The prohibition applies to existing Federal awards as of August 13, 2020.

IX. PROCUREMENT AND SUSPENSION & DEBARMENT	Initials	Date	WP Reference
1. Review the contract to determine if the terms of the grant/contract allow for reimbursement for the cost of goods, materials, services, supplies, and/or equipment. If not, these the tests for Procurement may not apply. Document your review.			
2. Procurement - If applicable, design testwork to review procurements over the simplified acquisition threshold for compliance with applicable regulations and guidelines. Document testwork. Document sample selection. Document review of contract/procurement files. Verify that procurements provide for full and open competition. Verify the agency followed procedures to review for debarment and suspension.			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

This may be attribute testing that appears in another section.			
<p>3. <u>Debarment and Suspension</u> – Review the grant/contract to determine that a debarment/suspension clause is included. By signing the grant contract, the grantee/subrecipient is agreeing to the terms. The grantee/subrecipient should not be debarred or suspended. The program area would have reviewed this at the time of contracting. The grantee/subrecipient is required to immediately notify TDOT of any change in status. A change in status can be reviewed during the monitoring.</p> <p>Per 2 CFR 200, Appendix XI (Compliance Supplement), this verification may be accomplished by (1) checking the System for Award Management (SAM) maintained by the General Services Administration (GSA):https://www.sam.gov/SAM/ and if it is not found either (2) collecting a certification from the entity, or (3) adding a clause or condition to the legal documents associated with the procurement and/or contract with the subcontractor.</p> <p>Document your review.</p>			
4. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in IX – Procurement, Suspension, and Debarment that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

X. Program Income

Monitoring Objectives

- To determine if there is program income from operating the program funded by the State and/or Federal funds.
- To determine if program income is correctly determined, recorded, and used in accordance with governmental and program requirements.
- To determine if program income received was applied to reduce the program expenditures or used in accordance with Federal and/or State guidelines.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group

Notes

- Notwithstanding 2 CFR section 200.80, except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income also does not include taxes, special assessments, levies, and fines raised by a grantee and subgrantee, and interest earned on any of them (2 CFR section 1201.80).

	Initials	Date	WP Reference
X. PROGRAM INCOME			
1. Refer to documentation relevant to the review of the contract to identify if Program Income can be generated from the funding. Review Federal and/or State requirements associated with the recording and use of program income. Document your review.			
2. Inquire of management if program income has been generated by the State and/or Federally funded program. If applicable, determine how this income was received, identified, and recorded.			
3. Review subrecipient audits and internal financial statements for accounts that may capture fees, services, fines, seizures, forfeitures, etc. Summarize assessment.			
4. If applicable, design and document testing of program income. Test to determine that program income: <ul style="list-style-type: none">- was correctly determined/calculated- from allowable sources- properly recorded- used in accordance with 2 CFR section 200.307 and by program requirements.			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			
--	--	--	--

Documentation of Review Procedures in X – Program Income that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

XI. Reporting

Monitoring Objectives

- To determine if the grantee/subrecipient complied with all reporting requirements of the program, contract, regulations, and/or other specific required reporting requirements.
- To determine that the required reports include all activity of the reporting period, are supported by applicable accounting and/or performance records, and are fairly presented in accordance with applicable regulations and/or program requirements.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Multi-modal

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for financial reporting requirements, including the grant disbursement report on closed contracts under Section C.7. Multimodal considers the final invoice to be the final report under Section C.7.
- TDOT Multi-modal will monitor for reporting requirements related to the Federal grant and/or the Multi-modal program, including the final report on closed contracts under Section D.18.
- Requirements for developing and submitting indirect cost rate proposals and Cost Allocation Plans are contained in Appendices III-VII of the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* as follows below.
 - (1) Appendix III to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
 - (2) Appendix IV to Part 200—Indirect Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations;
 - (3) Appendix V to Part 200—State/Local Government and Indian Tribe Central Service Cost Allocation Plans;
 - (4) Appendix VI to Part 200—Public Assistance Cost Allocation Plans; and
 - (5) Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals.
- Please Note – Per CPO Policy 2013-007, in the event that a federal requirement for cost rate proposals or Cost Allocation Plans conflicts with a state requirement, the federal requirement shall control.

XI. REPORTING	Initials	Date	WP Reference
1. Refer to documentation relevant to the review of the contract and state agency policy to determine reporting requirements. Document your review.			
2. Identify the specific <u>fiscal</u> reports required by the contract.			
3. Select a sample of fiscal reports to test. Document the selection by listing the reports and attributes tested. Include attributes such as accuracy, timeliness, proper reporting format, and/or adequacy of support.			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

<p>4. Determine if the Department of Finance and Administration's Policy 03 Uniform Reporting Requirements are applicable for the contract/grant.</p> <p>Governmental and agencies operating <u>one</u> program only are not subject to the requirements.</p>			
<p>5. If Policy 03 is applicable, design testwork to determine compliance with Policy 03. Test to determine that:</p> <ul style="list-style-type: none"> - the authorized Policy 03 is being used - the Policy 03 reports are accurate, supported, and timely - there is a Cost Allocation Plan approved by a cognizant state agency. Secure a copy for the workpaper file. <p>Note - Costs reviewed in II – Allowable Costs / Costs Principles should be allocated to the program/contract in accordance with the Cost Allocation Plan.</p> <p>Document your testwork.</p>			
<p>6. Determine the methodology of accumulating and allocating indirect costs by reviewing cost allocation plans, approved indirect cost rates, and/or discussions with management. Test to determine that the indirect costs are being properly allocated to the contract/program.</p> <p>Document you testwork.</p>			
<p>7. Per contract language, provisional indirect cost rates may be used. Determine if the indirect cost rate used is provisional.</p> <p>If provisional, once the rate becomes final, the Grantee/Subrecipient is to remit any overpayment of funds or TDOT is to remit any underpayment (subject to availability of funding).</p> <p>If provisional, determine if a final rate has been approved. If a final rate has been approved, obtain documentation to verify any needed adjustments were made to account for the indirect costs paid via the provisional rate.</p> <p>Verify the documentation/calculations with prior invoices in Edison.</p> <p>Note: A final rate may not have been determined at the</p>			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

time of fiscal subrecipient monitoring. It will depend upon the contract and fiscal year end date.			
8. The Fiscal Monitoring Group is only responsible for monitoring reporting of a fiscal nature. If there are any specific reporting requirements related to the program, TDOT Multi-modal is responsible for monitoring. Review reporting requirements and discuss with management if there appears to be any uncertainty about the division of responsibility for monitoring.			
9. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XI – Reporting that do not appear elsewhere on a workpaper:

XII. Special Tests and Provisions

Monitoring Objectives

- To determine compliance with specific provisions related to the type of grant/contract being reviewed.
- To determine compliance with contract requirements not tested in another review section.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Multi-modal

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for special tests and provisions that are fiscal in nature.
- TDOT Multi-modal will monitor for any special tests and provisions that are programmatic in nature.
- Charter Service – Applies to Federal Transit Cluster (20.500, 20.507, 20.525, and 20.526), Formula Grants for Rural Areas (20.509), Transit Service Programs (20.513, 20.516, and 20.521), and Emergency Transit Relief Program (20.527) – As part of the annual certifications and assurances required by the FTA, a recipient must execute an agreement with FTA which provides that it, and each of its subrecipients and third-party contractors at any level who use FTA-funded vehicles, may provide charter service using equipment or facilities acquired with Federal assistance authorized under the Federal transit laws only in compliance with 49 CFR part 604. Charter service means transportation provided at the request of a third party for the exclusive use of a bus or van for a negotiated price. The following features may be characteristic of charter service (a) a third party pays the transit provider a negotiated price for the group; (b) any fares charged to individual members of the group are collected by a third party; (c) the service is not part of the transit provider's regularly scheduled service or is offered for a limited period of time; or (d) a third party determines the origin and destination of the trip as well as scheduling. Charter service may also mean transportation is provided by a recipient to the public for events or functions that occur on an irregular basis or for a limited duration, and (a) a premium fare is charged that is greater than the usual or customary fixed route fare or (b) the service is paid for in whole or in part by a third party. Charter service does not include demand response service to individuals. A recipient providing charter service under the exception provisions in 49 CFR section 604.12 shall post the records required under this subpart on the FTA charter registration website 30 days after the end of each calendar quarter (49 CFR part 604).

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

- School Bus Operation – Applies to Federal Transit Cluster (20.500, 20.507, 20.525, and 20.526), Formula Grants for Rural Areas (20.509), Transit Services Programs (20.513, 20.516, and 20.521), and Emergency Transit Relief Program (20.527) – As part of the annual certifications and assurances required by FTA, a recipient must enter into an agreement with the FRA stating that the recipient will not engage in school bus operations exclusively for the transportation of students and school personnel in competition with private school bus operators, unless it demonstrates to the FTA Administrator any one of the exceptions listed in 49 CFR section 605.11 applies and the Administrator concurs. Indicators of prohibited exclusive school bus service are:
 - a. Bus schedules that only operate one way to schools in the morning and the other way from schools in the afternoon.
 - b. Destination signs that say “school bus” “school special” or a school name.
 - c. Buses that have flashing lights and swing arms like standard yellow school buses.
 - d. Bus stop signs that say “school.”
 - e. Bus stops that are located on school property away from general public thoroughfares.
- However, all recipients can operate “tripper service,” which is defined as regularly scheduled public transportation service that is open to the public and designed or modified to accommodate the needs of school students and personnel, using various fare collections or subsidy systems. Buses used in “tripper service” are required to be clearly marked as open to the public and should not carry designations such as “school bus” or “school special.” All routes traveled by tripper buses must be within a grantee or operator’s regular route service as indicated in their published schedules (49 CFR part 605).

XII. SPECIAL TESTS AND PROVISIONS	Initials	Date	WP Reference
1. Design and perform tests for specific grant requirements that are not included in testing in Section I through XI.			
2. Specific Contract Requirements: Subcontracting – In Section D of most contracts there is specific language regarding subcontracting the service. Review for subcontracts. Did the subcontract(s) contain the required clauses?			
3. Specific Contract Requirements: Public Accountability – In Section D of most contracts there is a requirement to post a hotline number in relation to Public Accountability. Is that posted? Note – This step can be skipped in a desk review.			
4. Specific Contract Requirements: Public Notice – In Section D of most contracts, there is specific language to be included in public notices. Do public notices, pamphlets, press releases, etc include the required language? Note – This is an area that TDOT Multi-modal would review. This can be reviewed by TDOT Finance/ Fiscal Monitoring Group only if it is noted during monitoring activities. Testwork does not			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

have to be designed to test for this requirement.			
5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XII – Special Tests and Provisions that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

XIII. Title VI / Nondiscrimination Compliance

Monitoring Objectives

- To determine that policies and actions taken by the grantee/subrecipient do not exclude any person from employment or participation/benefit of the program based on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal or State law or policy.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Multi-modal and TDOT Civil Rights Office

Notes

- TDOT Multi-modal s monitors for compliance with Title VI/Nondiscrimination. TDOT Multi-modal works with TDOT Civil Rights Office as needed in monitoring related to this compliance requirement.
- TDOT Multi-modal has stated that the approving signature of the TDOT Multi-modal employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

XIII. Title VI / Nondiscrimination Compliance	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract/program to familiarize yourself with Title VI / Nondiscrimination compliance requirements.			
2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Multi-modal program manager (or employee in equivalent position within TDOT Multi-modal) approved the invoices via an approval signature. The approving signature indicates that compliance with monitoring in this compliance requirement are is satisfactory.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XIII – Title VI / Nondiscrimination Compliance that do not appear elsewhere on a workpaper:

XII. Special Tests and Provisions

Monitoring Objectives

- To determine compliance with specific provisions related to the type of grant/contract being reviewed.
- To determine compliance with contract requirements not tested in another review section.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Finance / Fiscal Monitoring Group and TDOT Multi-modal

Notes

- TDOT Finance / Fiscal Monitoring Group will monitor for special tests and provisions that are fiscal in nature.
- TDOT Multi-modal will monitor for any special tests and provisions that are programmatic in nature.
- Charter Service – Applies to Federal Transit Cluster (20.500, 20.507, 20.525, and 20.526), Formula Grants for Rural Areas (20.509), Transit Service Programs (20.513, 20.516, and 20.521), and Emergency Transit Relief Program (20.527) – As part of the annual certifications and assurances required by the FTA, a recipient must execute an agreement with FTA which provides that it, and each of its subrecipients and third-party contractors at any level who use FTA-funded vehicles, may provide charter service using equipment or facilities acquired with Federal assistance authorized under the Federal transit laws only in compliance with 49 CFR part 604. Charter service means transportation provided at the request of a third party for the exclusive use of a bus or van for a negotiated price. The following features may be characteristic of charter service (a) a third party pays the transit provider a negotiated price for the group; (b) any fares charged to individual members of the group are collected by a third party; (c) the service is not part of the transit provider's regularly scheduled service or is offered for a limited period of time; or (d) a third party determines the origin and destination of the trip as well as scheduling. Charter service may also mean transportation is provided by a recipient to the public for events or functions that occur on an irregular basis or for a limited duration, and (a) a premium fare is charged that is greater than the usual or customary fixed route fare or (b) the service is paid for in whole or in part by a third party. Charter service does not include demand response service to individuals. A recipient providing charter service under the exception provisions in 49 CFR section 604.12 shall post the records required under this subpart on the FTA charter registration website 30 days after the end of each calendar quarter (49 CFR part 604).

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

- School Bus Operation – Applies to Federal Transit Cluster (20.500, 20.507, 20.525, and 20.526), Formula Grants for Rural Areas (20.509), Transit Services Programs (20.513, 20.516, and 20.521), and Emergency Transit Relief Program (20.527) – As part of the annual certifications and assurances required by FTA, a recipient must enter into an agreement with the FRA stating that the recipient will not engage in school bus operations exclusively for the transportation of students and school personnel in competition with private school bus operators, unless it demonstrates to the FTA Administrator any one of the exceptions listed in 49 CFR section 605.11 applies and the Administrator concurs. Indicators of prohibited exclusive school bus service are:
 - a. Bus schedules that only operate one way to schools in the morning and the other way from schools in the afternoon.
 - b. Destination signs that say “school bus” “school special” or a school name.
 - c. Buses that have flashing lights and swing arms like standard yellow school buses.
 - d. Bus stop signs that say “school.”
 - e. Bus stops that are located on school property away from general public thoroughfares.
- However, all recipients can operate “tripper service,” which is defined as regularly scheduled public transportation service that is open to the public and designed or modified to accommodate the needs of school students and personnel, using various fare collections or subsidy systems. Buses used in “tripper service” are required to be clearly marked as open to the public and should not carry designations such as “school bus” or “school special.” All routes traveled by tripper buses must be within a grantee or operator’s regular route service as indicated in their published schedules (49 CFR part 605).

XII. SPECIAL TESTS AND PROVISIONS	Initials	Date	WP Reference
1. Design and perform tests for specific grant requirements that are not included in testing in Section I through XI.			
2. Specific Contract Requirements: Subcontracting – In Section D of most contracts there is specific language regarding subcontracting the service. Review for subcontracts. Did the subcontract(s) contain the required clauses?			
3. Specific Contract Requirements: Public Accountability – In Section D of most contracts there is a requirement to post a hotline number in relation to Public Accountability. Is that posted? Note – This step can be skipped in a desk review.			
4. Specific Contract Requirements: Public Notice – In Section D of most contracts, there is specific language to be included in public notices. Do public notices, pamphlets, press releases, etc include the required language? Note – This is an area that TDOT Multi-modal would review. This can be reviewed by TDOT Finance/ Fiscal Monitoring Group only if it is noted during monitoring activities. Testwork does not			

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

have to be designed to test for this requirement.			
5. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XII – Special Tests and Provisions that do not appear elsewhere on a workpaper:

Multi-Modal - Detail Review Guide for Field and Desk Reviews - Monitoring Year 2023

Enter Subrecipient Name and Contract Number

XIII. Title VI / Nondiscrimination Compliance

Monitoring Objectives

- To determine that policies and actions taken by the grantee/subrecipient do not exclude any person from employment or participation/benefit of the program based on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal or State law or policy.

Monitoring Responsibility Per Compliance Area Responsibility Agreement

- TDOT Multi-modal and TDOT Civil Rights Office

Notes

- TDOT Multi-modal s monitors for compliance with Title VI/Nondiscrimination. TDOT Multi-modal works with TDOT Civil Rights Office as needed in monitoring related to this compliance requirement.
- TDOT Multi-modal has stated that the approving signature of the TDOT Multi-modal employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

XIII. Title VI / Nondiscrimination Compliance	Initials	Date	WP Reference
1. Review documentation relevant to the review of the contract/program to familiarize yourself with Title VI / Nondiscrimination compliance requirements.			
2. Review the invoices paid by TDOT during the year under review and determine if a TDOT Multi-modal program manager (or employee in equivalent position within TDOT Multi-modal) approved the invoices via an approval signature. The approving signature indicates that compliance with monitoring in this compliance requirement are is satisfactory.			
3. When all review procedures relating to this section have been completed, write a conclusion stating that the review objectives have been met. List any weaknesses, items of noncompliance, and/or questioned costs. Draft any findings necessary.			

Documentation of Review Procedures in XIII – Title VI / Nondiscrimination Compliance that do not appear elsewhere on a workpaper:

Risk Assessments and Sampling Strategy

The FMG's risk analysis and sampling strategy steps are as follows.

- a. All grantees/subrecipients are assigned to an individual quarter for fiscal monitoring purposes (i.e., Q1, Q2, Q3, Q4).
- b. Each quarter a spending report for the past 12 months is run from Edison.
- c. Payments by grantees/subrecipients assigned to the quarter are captured and totaled by grant contract.
- d. The sample selection criteria below are applied based on the risk analysis described below.
 - New grantees/subrecipients are identified, and contracts chosen for monitoring.
 - Grant contracts with findings in the previous year are considered for follow-up monitoring.
 - Grantees/subrecipients with findings in the previous year are reviewed and considered for follow-up monitoring.
 - Grantees/subrecipients that have been determined to have a higher risk are assessed to determine if their current activities merit monitoring.
 - A determination is made to ensure that any grantee/subrecipient that has not been monitored in the past three monitoring cycles is represented in the sample (requirement for monitoring at least once every three years).
 - Contracts are chosen primarily based upon the financial exposure they present to the department. Then, an effort is made to ensure that all Program Areas are represented proportionately in the sample consistently with the quarter's population.
 - Payments are totaled per contract.
 - Contracts are ranked from highest to lowest in spending dollars (payments made).
 - Total contract spending is summed to calculate a cumulative spending amount and percent of total selected population.
 - Contracts are selected in descending order ensuring at a minimum all contracts with at least \$750,000 in spending are

selected.

- Additional contracts are selected as necessary to ensure contracts from Program Areas are fairly represented. Contracts will be selected until a fair representation is established.

e. Each quarter the selection process is analyzed to ensure adequate coverage of both dollars and quantities of monitored contracts across the divisions of TDOT.

Staff and Organization

TDOT Finance has one Fiscal Director 1 in the External Audit Section that oversees monitoring activities on a part-time basis. Full-time monitoring positions are as follows:

Auditor 4/Audit Manager
Auditor 3

Position Filled – Knesha Thomas
Position Filled – Andrea Lucado

Program Descriptions

The TDOT Finance Division does not administer or issue grants. The monitoring responsibility of the FMG is to perform the compliance area monitoring activities that are fiscal in nature across all TDOT program divisions that do administer and/or issue grants. The programs being monitored are described under each program areas section contained within this plan.

2023 Monitoring Results

The following chart summarizes a comparative quantitative analysis of fiscal monitoring activities from 2019 to 2023 (five years).

Comparative Analysis of 2019 to 2023 Sampling Techniques					
	2019	2020	2021	2022	2023
Number of full time Employees Utilized	2	2 until April 2020 and 1 after April of 2020	1 until June of 2021 and 2 after June of 2021	2	2
Grant Contract Environment					
Number of Contracts Paid	1,034	1,146	1,370	1,192	1,224
Amount of Contracts Paid	\$ 193,917,866	\$ 192,578,360	\$ 278,061,678	\$ 292,040,246	\$ 273,725,644
Grant Contracts Monitored					
By Quantity	467	276	275	290	291
By Expenditures	\$ 166,528,975	\$ 134,432,676	\$ 184,949,243	\$ 212,993,987	\$ 197,667,579
Vendors (Grantees/Subrecipients) Monitored					
Population	301	312	308	289	273
Monitored	195	133	146	187	176
	64.78%	42.63%	47.40%	64.71%	64.47%
Percent Monitored by Qty	45.16%	24.08%	20.07%	24.33%	23.77%
Percent Monitored by Dollars Actually Paid	85.88%	69.81%	66.51%	72.93%	72.21%

The following table summarizes the 2023 monitoring activities performed by TDOT FMG by TDOT program area/division.

Summary of the 2023 Results				
Distribution Analysis of 2023 Sampling Technique				
Dollar				
Division	Population	% of Tot	Sample	% of Tot
Aeronautics Division	\$ 72,608,684	26.53%	63,598,257	32.17%
Civil Rights Division	\$ 42,872	0.02%	-	0.00%
Freight and Logistics Division	\$ 8,386,717	3.06%	6,110,344	3.09%
Highway Beautification Office	\$ 4,722,520	1.73%	2,334,272	1.18%
Local Program Development Office	\$ 96,446,947	35.23%	58,755,912	29.72%
Long-Range Planning Office	\$ 12,116,313	4.43%	5,414,747	2.74%
Multimodal Transportation Resources	\$ 79,357,623	28.99%	61,454,047	31.09%
Traffic Operations Division	\$ 23,441	0.01%	-	0.00%
Other	\$ 20,527	0.01%	-	0.00%
	\$ 273,725,644	100.00%	197,667,579	100.00%
Contract Total Tested of Total Dollars Spent			72.21%	
Count				
Division	Population	% of Tot	Sample	% of Tot
Aeronautics Division	310	25.33%	66	22.68%
Civil Rights Division	1	0.08%	-	0.00%
Freight and Logistics Division	36	2.94%	11	3.78%
Highway Beautification Office	167	13.64%	77	26.46%
Local Program Development Office	428	34.97%	84	28.87%
Long-Range Planning Office	104	8.50%	20	6.87%
Multimodal Transportation Resources	176	14.38%	33	11.34%
Traffic Operations Division	1	0.08%	-	0.00%
Other	1	0.08%	-	0.00%
	1,224	100.00%	291	100.00%
Contract Total Tested of Total Grants Paid			23.77%	
Entities				
Population		273		
Selected for Testing		176		
Total Entities Tested of Population			64.47%	

The following table lists the 2023 monitoring findings and observations.

2023 Findings					
Grantee / Subrecipient	TDOT Program Area	Finding	Questioned Costs	Contract No.	Report Issued
City of Bristol	Local Programs	The subrecipient billed for costs that were not related to the contract.	\$3,436.50	CPD090046	12/13/2022
City of Kingston Springs	Local Programs and Multimodal / Multimodal Access Grant	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	CPD160090	12/19/2022
Sullivan County	Highway Beautification	The grantee overbilled personnel costs.	\$100.57	Z22LIT082	12/20/2022
City of Gatlinburg	Local Programs and Multimodal / Multimodal Access Grant	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	CPD160088	1/9/2023
Jackson County	Aeronautics	The subrecipient had untimely payment(s) to its engineer.	\$0.00	AERO20184	1/9/2023
City of Linden	Local Programs and Multimodal / Multimodal Access Grant	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	CPD160094	1/9/2023
Clarksville Montgomery County Regional Airport Authority	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO21302	1/17/2023
Loudon County	Local Programs	There was no documentation to support that the subrecipient verified that one of its subcontractors was not debarred or suspended.	\$0.00	CPD170148	1/18/2023
Rutherford County	State-Aid	The grantee had untimely payment(s) to its contractor.	\$0.00	SA75011-6	2/6/2023
Rutherford County	State-Aid	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	SA75011-6	2/6/2023
Shelby County	Planning	The subrecipient overbilled fringe benefits.	\$637.27	Z19MPO019	2/6/2023
Warren County	Aeronautics	The subrecipient had untimely payment(s) to its engineer.	\$0.00	AERO21263	2/6/2023
Warren County	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO21262	2/6/2023

Warren County	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO21263	2/6/2023
Warren County	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22360	2/6/2023
City of Jamestown	Aeronautics	The subrecipient had untimely payment(s) to its engineer.	\$0.00	AERO21278	2/15/2023
City of Jamestown	Aeronautics	A tractor purchased using grant funds was not included on the inventory listing as required under Section D.27 of the contract with TDOT.	\$0.00	AERO21338	2/15/2023
Metropolitan Government of Nashville & Davidson County	State-Aid	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	SA19050-1	2/15/2023
Metropolitan Government of Nashville & Davidson County	State-Aid	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	SA19028-3	2/15/2023
City of Portland	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22382	2/15/2023
Vanderbilt University	Traffic Operations	The subrecipient overbilled travel costs.	\$288.14	GR2168991	2/15/2023
Vanderbilt University	Traffic Operations	The grant contract did not contain the proper clause on equipment and inventory requirements.	\$0.00	GR2168991	2/15/2023
Monroe County	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO21261	2/22/2023
Monroe County	Aeronautics	There was no documentation to support that the subrecipient verified that one of its subcontractors was not debarred or suspended.	\$0.00	AERO21261	2/22/2023
Millington Municipal Airport Authority	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO21304	3/1/2023
Millington Municipal Airport Authority	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO21305	3/1/2023
Clifton Airport Authority	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO21321	3/6/2023
Clifton Airport Authority	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO21322	3/6/2023

Crockett County	State-Aid	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	SA17060-1	3/6/2023
Dickson County Municipal Airport Authority	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO20273	3/20/2023
Dickson County Municipal Airport Authority	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22380	3/20/2023
City of Smithville	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22256	3/30/2023
City of Brownsville	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/3/2023
City of Dickson	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/3/2023
City of Harriman	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/3/2023
City of Jackson	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/3/2023
City of Jamestown	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/3/2023
Knoxville Knox County Community Action Committee	N/A	The single audit report for the Agency for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/3/2023
City of Lenoir City	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/4/2023
Blount County	State-Aid	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	SA0525-5	4/5/2023

Rhea County	Highway Beautification	The grantee overbilled direct costs.	\$56.76	Z22LIT072	4/5/2023
Rhea County	Highway Beautification	The grantee overbilled direct costs.	\$40.74	Z23LIT072	4/5/2023
Greater Nashville Regional Council	N/A	The single audit report for the Agency for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/10/2023
City of Johnson City	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/10/2023
City of Lakesite	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not complete. The audited reporting package did not include 1) a report on compliance for each major program and 2) a schedule of findings and questioned costs for Federal awards. The required components of a single audit are listed in 2 CFR 200.515.	N/A	N/A	4/10/2023
City of Martin	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/10/2023
Mid-Cumberland Human Resource Agency	N/A	The single audit report for the Agency for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/10/2023
City of Milan	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/10/2023
City of Millington	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/10/2023
City of Newport	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/10/2023
Shelby County	N/A	The single audit report for the County for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	4/10/2023

City of Covington	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO21323	5/5/2023
City of Lexington	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	5/9/2023
City of Ripley	N/A	The single audit report for the City for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	5/9/2023
City of Lobelville	Local Programs and Multimodal / Multimodal Access Grant	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	CPD190027	5/12/2023
Center City Development Corporation	Planning	The subrecipient did not provide documentation of a written purchasing policy as required by 2 CFR 200.318.	\$0.00	GR2375450	5/12/2023
Center City Development Corporation	Planning	The subrecipient did not pay its contractor prior to reimbursement by TDOT.	\$0.00	GR2375450	5/12/2023
Center City Development Corporation	Planning	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	GR2375450	5/12/2023
Mid-Cumberland Human Resource Agency	Multimodal	The subrecipient overbilled costs.	\$460.01	Z22531105	6/1/2023
City of Cleveland	Local Programs	The subrecipient overbilled due to its subconsultant using an incorrect overhead rate for invoicing.	\$947.05	CPD100252	6/1/2023
City of Lewisburg	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22345	7/5/2023
Campbell County	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22368	7/7/2023
Campbell County	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22372	7/7/2023
Hardin County	Highway Beautification	The grantee overbilled direct costs.	\$293.64	Z22LIT036	7/7/2023
Town of Huntingdon	N/A	The single audit report for the Town for fiscal year ended June 30, 2022, was not issued within nine months of the fiscal year ending as required per 2 CFR 200.512.	N/A	N/A	7/7/2023

City of Pigeon Forge	Multimodal	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	Z21IMPV10	7/25/2023
City of Pigeon Forge	Multimodal	The grantee withheld retainage on construction invoices. Per Section E.13 of the contract with TDOT, retainage is not allowed.	\$0.00	Z21IMPV10	7/25/2023
East Tennessee Railroad Authority	Freight & Logistics	The grantee had untimely payment(s) to its engineer.	\$0.00	Z22RR2223	7/25/2023
Hardeman County	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22322	7/28/2023
Knoxville Knox County Planning Commission	Planning	The subrecipient overbilled personnel costs	\$1,664.07	Z19MPO017	7/31/2023
McNairy County Airport Authority	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22347	7/31/2023
University of Memphis	Highway Beautification	The grantee overbilled direct costs.	\$40.00	IG2271205	7/31/2023
South Central Tennessee Railroad Authority	Freight & Logistics	The grantee had untimely payment(s) to its engineer.	\$0.00	Z22RR2220	8/1/2023
Springfield Robertson County Airport Board	Aeronautics	The subrecipient billed for costs that were outside of the grant contract effective dates.	\$4,787.05	AERO22364	8/1/2023
Springfield Robertson County Airport Board	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22364	8/1/2023
Upper Cumberland Human Resource Agency	Multimodal	The subrecipient overbilled costs.	\$24,874.00	Z23531111	8/2/2023
Delta Human Resource Agency	Multimodal	The subrecipient used the incorrect amount for farebox revenue on one invoice.	\$193.50	Z23531112	8/2/2023
Music City Executive Airport Authority	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22253	8/21/2023
Hawkins County	Aeronautics	The subrecipient's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO21282	8/22/2023

Ten-Ken Railroad Authority	Freight & Logistics	The grantee had untimely payment(s) to its engineer.	\$0.00	Z22RR2221	8/23/2023
City of Cookeville	Local Programs and Multimodal / Multimodal Access Grant	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	CPD210236	8/28/2023
City of Loudon	Local Programs	The subrecipient's subcontractors charged the incorrect mileage rate on their invoices.	\$132.07	CPD130270	8/28/2023
Tri-Cities Airport Authority	Aeronautics	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22393	8/29/2023
Northwest Tennessee Human Resource Agency	Multimodal	The subrecipient overbilled travel costs.	\$56.70	Z22531106	9/1/2023
Town of Centerville	Aeronautics	The subrecipient did not maintain procurement documentation as required per 2 CFR 200.318(i).	\$0.00	AERO22402	Pending at time of Monitoring Plan being drafted.
Haywood County	Highway Beautification	The grantee overbilled personnel costs.	\$118.86	Z23LIT038	Pending at time of Monitoring Plan being drafted.
City of Lafayette	Aeronautics	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	AERO22397	Pending at time of Monitoring Plan being drafted.
Metropolitan Nashville Airport Authority	Aeronautics	The grantee's subcontract(s) did not contain all clauses as required under Section D.5 of the contract with TDOT.	\$0.00	GG2169933	Pending at time of Monitoring Plan being drafted.
Moore County	Highway Beautification	The grantee overbilled personnel costs.	\$17.72	Z22LIT064	Pending at time of Monitoring Plan being drafted.
Moore County	Highway Beautification	The grantee overbilled personnel costs.	\$18.26	Z23LIT064	Pending at time of Monitoring Plan being drafted.

Total Findings	90				
Total Questioned Costs	\$38,162.91				

2023 Observations					
Grantee / Subrecipient	TDOT Program Area	Observation	Costs	Contract No.	Report Issued
Clean Memphis	Highway Beautification	The grantee underbilled costs.	-\$21.25	GR2268343	7/10/2023
Cocke County	Highway Beautification	The grantee underbilled costs.	-\$99.84	Z22LIT015	8/3/2023
Metropolitan Nashville Airport Authority	Aeronautics	The grantee underbilled costs.	-\$90.00	GG216993	Pending at time of Monitoring Plan being drafted.

*** Some findings, observations, and/or questioned costs may change due to pending statuses.

Corrective Action Plan

Once a subrecipient/grantee has been monitored and there is a finding:

- A report is sent to:
 - The grantee/subrecipient
 - TDOT Internal Audit
 - TDOT Finance
 - TDOT Program Area
 - Tennessee Comptroller of the Treasury
- The grantee/subrecipient is given no later than 30 days to submit a Corrective Action Plan to Fiscal Director 2 over the External Audit Division.

- The corrective action plan shall include at a minimum the name of the contact person responsible for the corrective action plan, the corrective actions to be taken, and the anticipated date of completion of the corrective action.
- When the grantee/subrecipient submits a Corrective Action Plan that is acceptable:
 - A copy is placed in a file for TDOT Finance tracking purposes.
 - A copy is given to the FMG for their tracking purposes.
 - The Fiscal Director 2 issues written acceptance of the corrective action and any follow-up that may be advised.
- If the grantee fails to submit a plan, then follow-up activities are performed.
- If the grantee submits a plan which is considered unacceptable:
 - Discussion usually occurs between the Fiscal Director 2, the FMG, and the grantee/subrecipient.
 - The subrecipient/grantee is notified that their plan is unacceptable, and they must submit another Corrective Action Plan.
 - This will continue until an acceptable Corrective Action Plan is derived.

Review of Single Audits

Per 2 CFR part 200, as a pass-through entity of Federal funds, TDOT is required to review single audits and issue management decisions when necessary.

Single Audits

The following table lists the TDOT grantees/subrecipients that have had a single audit issued that has been reviewed by the FMG. If the single audit report was not issued within nine months of the grantee/subrecipient's fiscal year end date, the FMG issued a finding report requiring the grantee/subrecipient to submit corrective action for the late issuance.

There are three single audits (fiscal year end June 30, 2022) that are pending at the time of drafting the 2024 TDOT Monitoring Plan.

TDOT Grantees/Subrecipients with a Completed Single Audit Report							
Grantee / Subrecipient	Fiscal Year End	Single Audit Dated		Grantee / Subrecipient	Fiscal Year End	Single Audit Date	
Alcoa, City of	6/30/2022	12/7/2022		Lewisburg, City of	6/30/2022	3/9/2023	
Anderson County	6/30/2022	11/7/2022		Lexington, City of	6/30/2022	5/26/2023	
Arlington, Town of	6/30/2022	2/28/2023		Lincoln County	6/30/2022	2/23/2023	
Athens, City of	6/30/2022	12/21/2022		Lipscomb University	5/31/2022	2/22/2023	
Bartlett, City of	6/30/2022	1/31/2023		Loudon County	6/30/2022	2/8/2023	
Bedford County	6/30/2022	9/28/2022		Loudon, City of	6/30/2022	12/28/2022	
Benton County	6/30/2022	11/15/2022		Macon County	6/30/2022	9/29/2022	
Bledsoe County	6/30/2022	10/21/2022		Madison County	6/30/2022	12/29/2022	
Blount County	6/30/2022	12/14/2022		Manchester, City of	6/30/2022	3/18/2023	
Bradley County	6/30/2022	12/15/2022		Marion County	6/30/2022	10/28/2022	
Brentwood, City of	6/30/2022	12/30/2022		Marshall County	6/30/2022	1/26/2023	
Bristol, City of	6/30/2022	12/30/2022		Martin, City of	6/30/2022	6/21/2023	
Brownsville, City of	6/30/2022	7/10/2023		Maryville, City of	6/30/2022	10/28/2022	
Campbell County	6/30/2022	1/31/2023		Maury County	6/30/2022	12/15/2022	
Cannon County	6/30/2022	2/14/2023		McMinnville, City of	6/30/2022	12/31/2022	
Carroll County	6/30/2022	2/16/2023		Mcminn, County of	6/30/2022	10/11/2022	
Carter County	6/30/2022	3/3/2023		Mcnairy County	6/30/2022	2/10/2023	
Chattanooga Area Regional Transportation Authority	6/30/2022	10/26/2022			Meigs County	6/30/2022	1/20/2023
Chattanooga Metro Airport Authority	6/30/2022	10/17/2022			Memphis Area Transit Authority	6/30/2022	12/31/2022
Chattanooga, City of	6/30/2022	3/24/2023			Memphis Shelby County Airport	6/30/2022	12/20/2022
Cheatham County	6/30/2022	12/5/2022			Memphis, City of	6/30/2022	2/28/2023
Chester County	6/30/2022	10/25/2022			Metro Nashville & Davidson County	6/30/2022	3/29/2023
Claiborne County	6/30/2022	2/17/2023			Metropolitan Knoxville Airport Authority	6/30/2022	11/16/2022
					Metropolitan Nashville Airport Authority	6/30/2022	10/19/2022
Clarksville, City of	6/30/2022	12/28/2022			Mid Cumberland Human Resource Agency	6/30/2022	5/1/2023
Clay County	6/30/2022	10/12/2022			Milan, City of	6/30/2022	4/30/2023
Cleveland, City of	6/30/2022	1/20/2023					

Clifton Airport Authority	6/30/2022	10/31/2022	Millersville, City of	6/30/2022	2/13/2023
Clinton, City of	6/30/2022	12/29/2022	Millington Municipal Airport Authority	6/30/2022	11/11/2022
Cocke County	6/30/2022	12/20/2022	Millington, City of	6/30/2022	4/14/2023
Coffee County	6/30/2022	11/21/2022	Monroe County	6/30/2022	1/6/2023
Collegedale, City of	6/30/2022	11/10/2022	Montgomery County	6/30/2022	2/27/2023
Collierville, Town of	6/30/2022	12/20/2022	Moore County	6/30/2022	2/21/2023
Columbia, City of	6/30/2022	1/26/2023	Morgan County	6/30/2022	1/26/2023
Cookeville, City of	6/30/2022	12/27/2022	Morristown, City of	6/30/2022	12/8/2022
Covington, City of	6/30/2022	2/6/2023	Mount Juliet, City of	6/30/2022	12/30/2022
Crockett County	6/30/2022	11/10/2022	Mount Pleasant, City of	6/30/2022	12/20/2022
Crossville, City of	6/30/2022	12/22/2022	Murfreesboro, City of	6/30/2022	1/31/2023
Cumberland County	6/30/2022	10/28/2022	Nashville Metropolitan Transit Authority (MTA)	6/30/2022	10/31/2022
Dayton, City of	6/30/2022	3/28/2023	Newport, City of	6/30/2022	5/31/2023
Decatur County	6/30/2022	11/18/2022	Nolensville, Town of	6/30/2022	2/21/2023
Dekalb County	6/30/2022	10/24/2022	Northwest Tennessee Development District	6/30/2022	12/2/2022
Delta Human Resource Agency	6/30/2022	3/17/2023	Northwest Tennessee Human Resource Agency	6/30/2022	12/2/2022
Dickson County	6/30/2022	12/12/2022	Oak Ridge, City of	6/30/2022	1/10/2023
Dickson, City of	6/30/2022	4/29/2023	Obion County	6/30/2022	2/17/2023
Dyer County	6/30/2022	10/20/2022	Overton County	6/30/2022	2/16/2023
Dyersburg, City of	6/30/2022	1/11/2023	Perry County	6/30/2022	2/9/2023
East Tennessee Development District	6/30/2022	11/9/2022	Pickett County	6/30/2022	2/17/2023
East Tennessee Human Resource Agency Inc	6/30/2022	12/27/2022	Pigeon Forge, City of	6/30/2022	12/12/2022
Fayette County	6/30/2022	1/12/2023	Polk County	6/30/2022	2/27/2023
Fentress County	6/30/2022	2/7/2023	Portland, City of	6/30/2022	3/30/2023
First Tennessee Development District	6/30/2022	11/4/2022	Putnam County	6/30/2022	12/8/2022
First Tennessee Human Resource Agency	6/30/2022	12/13/2022	Red Bank, City of	6/30/2022	2/6/2023
Franklin County	6/30/2022	1/31/2023	Regional Transportation Authority (RTA)	6/30/2022	10/31/2022
Franklin, City of	6/30/2022	12/13/2022	Rhea County	6/30/2022	2/6/2023
Gallatin, City of	6/30/2022	12/19/2022	Ripley, City of	6/30/2022	4/22/2023
Gatlinburg, City of	6/30/2022	1/17/2023	Roane County	6/30/2022	12/7/2022
Germantown, City of	6/30/2022	12/30/2022	Robertson County	6/30/2022	9/14/2022
Giles County	6/30/2022	10/27/2022	Rutherford County	6/30/2022	11/18/2022

Goodlettsville, City of	6/30/2022	12/30/2022	Savannah, City of	6/30/2022	12/28/2022
Grainger County	6/30/2022	10/28/2022	Scott County	6/30/2022	1/4/2023
Greene County	6/30/2022	1/20/2023	Sequatchie County	6/30/2022	9/19/2022
Grundy County	6/30/2022	2/15/2023	Sevier County	6/30/2022	12/7/2022
Hamblen County	6/30/2022	2/15/2023	Sevierville, City of	6/30/2022	12/21/2022
Hamilton County	6/30/2022	1/24/2023	Shelby Co Govt (Dba Memphis And Shelby)	6/30/2022	4/27/2023
Hancock County	6/30/2022	9/6/2022	Shelbyville, City of	6/30/2022	3/14/2023
Hardeman County	6/30/2022	1/23/2023	Smith County	6/30/2022	12/15/2022
Hardin County	6/30/2022	1/27/2023	Smyrna, Town of	6/30/2022	12/22/2022
Hartsville/Trousdale County	6/30/2022	1/23/2023	South Central Tn Development District	6/30/2022	3/31/2023
Hawkins County	6/30/2022	1/12/2023	Southeast Tn Development District	6/30/2022	1/23/2023
Haywood County	6/30/2022	12/14/2022	Southeast Tn Human Resource Agency	6/30/2022	12/20/2022
Henderson County	6/30/2022	10/6/2022	Southwest Human Resource Agency	6/30/2022	3/28/2023
Henderson, City of	6/30/2022	12/29/2022	Southwest Research Institute	9/30/2022	12/5/2022
Hendersonville, City of	6/30/2022	12/22/2022	Southwest Tn Development Dist.	6/30/2022	10/24/2022
Henry County	6/30/2022	12/16/2022	Springfield, City of	6/30/2022	12/20/2022
Hickman County	6/30/2022	10/3/2022	Stewart County	6/30/2022	9/16/2022
Houston County	6/30/2022	1/31/2023	Sullivan County	6/30/2022	2/27/2023
Humboldt, City of	6/30/2022	12/27/2022	Sumner County	6/30/2022	3/8/2023
Humphreys County	6/30/2022	10/17/2022	Sumner County Regional Airport Authority / Music City Executive Airport Authority	6/30/2022	11/18/2022
Huntingdon, Town of	6/30/2022	5/12/2023	Sweetwater, City of	6/30/2022	1/10/2023
Jackson County	6/30/2022	10/19/2022	The Greater Nashville Regional Council	6/30/2022	4/10/2023
Jackson Transit Authority	6/30/2022	12/8/2022	Tipton County	6/30/2022	10/3/2022
Jackson, City of	6/30/2022	5/16/2023	Trenton, City of	6/30/2022	3/20/2023
Jefferson County	6/30/2022	12/29/2022	Tri-Cities Regional Airport	6/30/2022	12/2/2022
Johnson City, City of	6/30/2022	4/28/2023	Tullahoma, City of	6/30/2022	3/31/2023
Johnson County	6/30/2022	11/3/2022	Unicoi County	6/30/2022	10/28/2022
Kingsport, City of	6/30/2022	12/30/2022	Union City, City of	6/30/2022	3/17/2023
Knox County	6/30/2022	1/31/2023	Union County	6/30/2022	10/5/2022

Knoxville, City of	6/30/2022	1/13/2023	Upper Cumberland Development District	6/30/2022	12/21/2022
Knoxville/Knox County Metropolitan Planning Commission	6/30/2022	12/21/2022	Upper Cumberland Human Resource Agency	6/30/2022	12/21/2022
Lafayette, City of	6/30/2022	10/15/2022	Van Buren County	6/30/2022	10/7/2022
Lafollette, City of	6/30/2022	12/29/2022	Vanderbilt University	6/30/2022	9/30/2022
Lake County	6/30/2022	2/3/2023	Warren County	6/30/2022	1/26/2023
Lakeland, City of	6/30/2022	11/28/2022	Washington County	6/30/2022	12/2/2022
Lakesite, City of	6/30/2022	3/23/2023	Wayne County	6/30/2022	10/25/2022
Lauderdale County	6/30/2022	2/15/2023	Weakley County	6/30/2022	2/7/2023
Lawrence County	6/30/2022	12/15/2022	White County	6/30/2022	10/7/2022
Lebanon, City of	6/30/2022	2/28/2023	Williamson County	6/30/2022	12/16/2022
Lenoir City, City of	6/30/2022	4/26/2023	Wilson County	6/30/2022	1/18/2023
Lewis County	6/30/2022	12/12/2022			
TDOT Grantees/Subrecipients with a Pending Single Audit Report					
Grantee / Subrecipient	Fiscal Year End	Single Audit Dated	Grantee / Subrecipient	Fiscal Year End	Single Audit Date
Harriman, City of	6/30/2022	Pending	Knoxville Knox County Community Action	6/30/2022	Pending
Jamestown, City of	6/30/2022	Pending			
Total Single Audits Reviewed				197	
Single Audit Reviews Pending				3	

Management Decisions

If a single audit was issued, the FMG reviews the single audit to determine if TDOT had any major award findings. Per 2 CFR part 200.521, TDOT is required to issue management decisions for audit findings pertaining to the Federal award.

If a single audit was issued, the FMG also reviews all financial statement findings. Per 2 CFR part 200.521, TDOT is not required to issued management decisions related to financial statement findings. While not required, 2 CFR part 200.521 does permit TDOT to issue management decisions on findings related to the financial statements. TDOT does issue management decisions

for financial statement findings if based on a review by FMG it is determined that the finding may impact or relate to TDOT projects.

All management decisions related to TDOT major award findings and financial statement findings (determined to be related to TDOT projects) are summarized below.

TDOT Management Decisions				
Grantee / Subrecipient Name	Type of Finding / Deficiency	Finding / Deficiency	Management Decision Issued	Management Decision
Jackson Transit Authority	Major Award	Federal Award Finding 2022-005 / 20.507 / Procurement and Suspension and Debarment - The Authority did not document the proper review of one covered transaction.	3/13/2023	Jackson Transit Authority is the direct recipient of the federal awards noted in Finding 2022-005. TDOT is not the pass-through agency of federal funding. As such, TDOT is not required to issue a management decision. However, TDOT does provide Jackson Transit Authority with state funding via state grant contracts and thus has an interest in ensuring the finding is corrected. TDOT agrees with the CPA that there are three optional ways to accomplish the requirement associated with reviewing lower-tiered entities for suspension, debarment, or ineligibility. Jackson Transit Authority can (1) check the System for Award Management (SAM) Exclusions, 2) collect a certification from the entity, and/or 3) add a clause or condition to the covered transaction with that entity. Please maintain documentation associated with your review of suspension, debarment, and ineligibility. TDOT will review Jackson Transit Authority's single audit for fiscal year ended June 30, 2023, to ensure that the finding is noted as being resolved by the CPA.
City of Franklin	Major Award	Federal Award Finding 2022-001 / 20.507 and 20.500 / The Federal Transit Cluster requires the City (specifically the Franklin Transit Authority as recipient of the grants) to properly report and monitor subrecipient, maintain internal controls over expenditures charged to the program, and properly report awards and subawards in the Federal registry in accordance with the Federal Funding Accountability and Transparency Act (FFATA).	3/13/2023	Franklin Transit Authority is the direct recipient of the federal awards noted in Finding 2022-001. TDOT is not the pass-through agency of federal funding. As such, TDOT is not required to issue a management decision. However, TDOT does provide Franklin Transit Authority with state funding via state grant contracts. TDOT seeks to document the review of the finding and corrective action. TDOT did confirm that the federal awards are reflected in the single audit information of the City of Franklin for the fiscal year ended June 30, 2022. The TMA Group correctly did not report the activities of the City of Franklin/Franklin Transit in their single audit report for their fiscal year ended June 30, 2022. The finding appears to be resolved. TDOT will review the City of Franklin's single audit for fiscal year ended June 30, 2023, to ensure that the finding is noted as being resolved by the CPA.

Total Number of Management Decisions Issued at Time of Drafting 2024 Monitoring Plan	2	
--	---	--

Program Monitoring Plan

DIVISION OF FREIGHT & LOGISTICS – FREIGHT PLANNING, SECTION 130, AND WATERWAYS (RAIL & WATERWAYS) STATE FUNDS ONLY

Contact:

Dan Pallme, Asst. Bureau Chief Freight & Logistics

Office: 615-741-4031

September 2023



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

FINANCE DIVISION
SUITE 800, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2261

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

Date: August 14, 2023

To: Daniel Pallme, Director
TDOT Freight and Logistics Division

From: Carla Spann, Fiscal Director 1
TDOT Finance / External Audit

Re: Letter of Understanding for 2024 Grant/Subrecipient Monitoring Responsibilities
Between TDOT Freight and Logistics Division and TDOT Fiscal Monitoring Group

TDOT's grant/subrecipient monitoring activities involve oversight and coordination by TDOT program areas and TDOT Finance/Fiscal Monitoring Group. The purpose of this letter is to document the division of responsibilities in monitoring activities between TDOT Freight and Logistics Division and TDOT Fiscal Monitoring Group for the monitoring year of 2024 (October 1, 2023 – September 30, 2024).

TDOT's approach will involve monitoring both state and federal funding in a similar manner. The division of monitoring responsibilities will follow the compliance requirement areas identified in 2 CFR part 200, Appendix XI (the Compliance Supplement). In addition, monitoring will include Title VI/Nondiscrimination Compliance as required per the State of Tennessee Central Procurement Office Policy Number 2013-007.

For monitoring year 2024, the Fiscal Monitoring Group will issue a single department-wide report for each grantee/subrecipient monitored by the Fiscal Monitoring Group listing all grants/contracts that were monitored across all TDOT program areas.

In order to avoid duplication of efforts, the Fiscal Monitoring Group will not include testing in their work in the areas identified as being reviewed by TDOT Freight and Logistics Division. Our review work will only include observed documentation to the effect that TDOT Freight and Logistics Division has performed the monitoring in the areas identified.

Compliance Requirement Areas

Activities Allowed or Unallowed – Monitored by TDOT Freight and Logistics Division

The approving signature of the TDOT Freight and Logistics employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment

and has verified that all items are allowable under the contract and all applicable federal and state regulations related to the grant/contract.

Allowable Costs/Cost Principles – Monitored by TDOT Finance/Fiscal Monitoring Group

Cash Management – Monitored by TDOT Fiscal Monitoring Group

Wage Rate Requirements/Davis-Bacon Act – Monitored by TDOT Freight and Logistics Division

Note: In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. However, TDOT will take the approach to monitor the Wage Rate Requirements/Davis Bacon Act as a separate compliance requirement area. This approach is being taken in order to ensure that there is no confusion in the division of responsibilities in monitoring activities.

This compliance requirement area is applicable on certain construction grants/contracts with TDOT Freight and Logistics Division for Section 130 funding and Federal Transit Administration funding related to State Safety Oversight for fixed-rail transit. The signature of the TDOT Freight and Logistics employee on the request for payment will indicate that he/she has reviewed this compliance area.

Eligibility – Monitored by TDOT Freight and Logistics Division

When applicable, the approving signature of the TDOT Freight and Logistics employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

Equipment and Real Property Management – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Freight and Logistics Division

This compliance requirement is not anticipated to be applicable. When and if it is applicable, the Fiscal Monitoring Group will monitor for compliance related to completeness/accuracy of the inventory records. If a field visit is performed, the Fiscal Monitoring Group will physically observe equipment (on a sample basis).

It should be noted that specific equipment and/or real property management procedures related to the Federal award and/or nature of the program should be monitored by the TDOT program area. The TDOT program area should review any required preventative maintenance procedures for compliance with applicable standards. In addition, since the Fiscal Monitoring Group does not always perform field visits, the TDOT program area should take the lead on performing physical inventory as required by 2 CFR 200.313. Any reporting on real property required under 2 CFR 200.329 will be monitored by the TDOT program area.

Matching, Level of Effort, Earmarking – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Freight and Logistics Division

Period of Performance – Monitored by TDOT Finance/Fiscal Monitoring Group

Procurement and Suspension & Debarment – Monitored by TDOT Finance/Fiscal Monitoring Group

Program Income – Monitored by TDOT Finance/Fiscal Monitoring Group

Reporting – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Freight and Logistics Division

The Fiscal Monitoring Group will monitor for compliance with financial reporting requirements required by contract language. TDOT Freight and Logistics will monitor for compliance with reporting requirements that are programmatic in nature and with any specific reporting requirements related to the Federal grant and/or program (including reporting under 2 CFR 200.328).

Note: The Annual and Final Reports (required in most grant contract language) will be considered programmatic reports monitored by TDOT Freight and Logistics. TDOT Finance/Fiscal Monitoring Group will continue to monitor the Disbursement Reconciliation and Close Out Report (required in most grant contract language) as a financial reporting requirement required by contract language.

Special Tests and Provisions – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Freight and Logistics Division

This compliance requirement is not always applicable. When applicable, the Fiscal Monitoring Group will monitor for any special tests and provisions that are fiscal in nature. TDOT Freight and Logistics Division will monitor for any special tests and provisions that are programmatic in nature.

Title VI/Nondiscrimination Compliance – Monitored by TDOT Freight and Logistics Division and TDOT Civil Rights Office


TDOT Freight and Logistics will work with the TDOT Civil Rights Office to ensure that the Nondiscrimination provisions are met. The approving signature of the TDOT Freight and Logistics employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

If we have stated the procedures and documentation processes correctly, and you are willing to accept our assertions on your behalf in a single department-wide audit report, please sign below.

Thank you,



Carla Spann
External Audit Fiscal Director



Daniel Pallme
Director of Freight and Logistics Division

Background and General Description

In 1987 the Tennessee General Assembly created a dedicated funding source known as the Transportation Equity Fund (TEF). Funds collected through the TEF may be used for activities related to railways, aeronautics, and waterways. Originally the Division of Multimodal Transportation Resources (DMTR) and now the Division of Freight & Logistics (DFL) provides TEF funding to Short Line Railroad Authorities and the Tennessee-Tombigbee Waterway Development Authority.

The purpose of the Short Line Rail grant program is to promote and develop efficient rail transportation services across Tennessee. After passage of the Staggers Act of 1980, it became much easier for Class I railroads to abandon low density branch lines. The potential loss of service on these branch lines threatened to disrupt local economies (mostly in rural areas). In response, the Tennessee General Assembly enabled the creation of local Railroad Authorities to preserve and maintain essential rail transportation to local communities. Grant funding under this program is provided to Short Line Rail Authorities for the engineering and construction of track and bridge repairs and rehabilitation.

Track work can consist of tie replacement, rail replacement, surfacing, ballast replacement, ditching, tamping, lining of track and other associated track work. Bridge work can consist of similar track work for track crossing bridges, plus replacement of timber piles, bracings, stringers on timber bridges and replacement of steel girders, plates and bearings on steel and concrete bridges. This list is not exhaustive as to the possible repair and rehabilitation activities possible.

After a 2013 court ruling, the Department of Revenue stopped collecting the tax on rail fuel and TDOT sequestered funds that were collected in prior years. From October 2013 to April 2018, TDOT had only funded rail projects under compelling circumstances, holding the balance in reserve until the court case is fully resolved. However, in April 2018, the TN General Assembly passed a budget amendment that earmarked \$10 million of TEF funds currently held in escrow ‘for the sole purpose of short line railroad repairs, improvements, and upgrades.’ DMTR staff developed Guidelines and Applications for FY2019 Distribution of Short Line Grant Funds and issued some contracts to requesting Authorities. DFL staff have modified the Guidelines and Applications since taking over monitoring of the program. For FY2020 additional Short Line Rail Funding was made available

after it was determined that the case would be ruled in favor of Tennessee and the collection of the TEF fee. The FY2020 funds were made available in both a Preservation Short Line Rail program, which operates similarly to the original program, and a Connectivity Short Line Rail program, which is a competitive program based on the benefits of economic development, freight diversion to other modes from highway and traffic diversion from truck to rail provided by Short Line Rail projects. DFL is finishing up the majority of the FY2020 contracts for projects submitted by Short Line Rail Authorities and their Operators. Under the Connectivity program, Port Authorities, Local Governments, Industrial Development Corporations, or Other Governmental Entities were authorized to apply for this competitive Connectivity Short Line Rail program.

In October 2020, DFL completed a track and needs assessment of all active short line railroads in Tennessee. The final report was released to Governor Lee, TDOT senior leadership, and Short Line Rail Authorities and their Operators. As a result of the needs assessment, Governor Lee proposed, and the Tennessee General Assembly passed a special authorization of funding in the amount of \$85 million as part of the FY2022 Tennessee General Appropriations Bill. In July 2021, another round of railroad grants was distributed using similar guidelines, monitoring and reporting processes. The \$85 million and balance will be spread out over 5 years at an apportionment of \$20 million per year. FY'23 dollars were just awarded. After FY'24 apportionment a desk review will be made to modify the current apportionment based upon current short line railroad needs.

The past litigation in 2013 has put the program on hold for a few years. On July 6, 2021, the original lawsuit was officially settled by a signed Agreed Order of Compromise and Dismissal. The terms of the CSX settlement have not been made public due to taxpayer confidentiality laws. There is a potential lawsuit still to be settled regarding the comparison of the water to rail industry. The outcome could affect the future of the rail TEF and will need to be monitored for future allocations.

Due to limited waterway funding collected, TEF waterway revenues are used to pay Tennessee's dues to the Tennessee-Tombigbee Waterway Development Authority. Occasionally, waterway grants are given to local governments or port authorities for the reimbursement of survey, design, testing, and construction

services for the preparation of working port development, but there are no active waterway grants at this time.

Grant Monitoring Procedures

TDOT Freight & Logistics monitoring activities for the short line rail system programs consists of

- Reviewing invoices as received for allowable costs.
- On call consultant task orders and in house staff to inspect projects upon completion.
- Collecting annual financial audit reports (unless the Authority receives a waiver from the Comptroller) and reviewing the statements and notes for program activity items.

TDOT Freight & Logistics monitoring activity for waterway funding is not currently active as the only annual expenditures are annual dues to the Tennessee-Tombigbee Waterway Development Authority.

Staff and Organization

Staff dedicated to short line rail program monitoring responsibilities as a part of their total monitoring responsibilities:

- Freight & Logistics Director
- FP Planning
 - Supervisor – Vacant
 - Senior Freight Planner
 - Transportation Program Monitor
- FP Section 130
 - Manager (for special reviews of project plans and specifications)

Risk Assessments

For post 2018 projects risk assessments have been set for all short line rail authorities. All short line projects will be inspected upon completion of the project(s) by DFL staff or consultants. The inspection is to confirm that all project activities are in accordance and compliance with the project contract. All projects will be closed out after all inspection activities and charges are confirmed.

Monitoring Results / Corrective Action Plan

- There are currently no corrective actions identified.
- The corrective action processes will require a case by case review of activities determined ineligible in consultation with the project inspectors and the Authority.

Program Descriptions

GRANTS TO RAILROAD AUTHORITIES – In most cases the program code is a two digit abbreviation + the Fiscal Year, i.e., RR07, RR09, TE10, BE11, etc.

Post 2018

RR – Short Line Preservation Grants. This program identification is used for post 2018 Short Line Preservation program grants. In addition, this is the program identification used prior to FY 10 for all railroad contracts; including rehabilitation and engineering.

RC – Short Line Connectivity Grants. The program identification is used for Short Line Rail Connectivity program grants.

Pre 2019

BE – Bridge Engineering Grants. This type grant is made to the Railroad Authorities for the reimbursement of consultant engineers doing work on railroad bridge projects

BR – Bridge Rehabilitation Grants. This type grant is made to the Railroad Authorities for the reimbursement of contractors performing bridge rehabilitation

projects.

TE – Track Engineering Grants. This type grant is made to the Railroad Authorities for the reimbursement of consultant engineers doing work on railroad track projects.

TR – Track Rehabilitation Grant. This type grant is made to the Railroad Authorities for the reimbursement of contractors performing track rehabilitation projects.

SE – Supplemental Engineering Grants. This type of grant is made to the Railroad Authorities for the reimbursement of consultant engineers doing bridge or track engineering projects and is funded outside of the Transportation Equity Trust Fund.

SR – Supplemental Rehabilitation Grants. This type of grant is made to the Railroad Authorities for the reimbursement of contractors performing bridge or track rehabilitation projects and is funded outside of the Transportation Equity Trust Fund.

Program Monitoring Plan

TDOT Environmental Division Highway Beautification Office

Specific Litter Grant Programmatic Accountability and Monitoring Measures

Point of Contact:

Michael McClanahan

Transportation Manager I

(615) 806-2489

Michael.McClanahan@tn.gov



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

FINANCE DIVISION
SUITE 800, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2261

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

Date: August 14, 2023

To: Michael McClanahan, Transportation Manager
TDOT Environmental Division / Beautification Office

From: Carla Spann, Fiscal Director 1
TDOT Finance / External Audit

Re: Letter of Understanding for 2024 Grant/Subrecipient Monitoring Responsibilities
Between TDOT Highway Beautification Office and TDOT Fiscal Monitoring Group

TDOT's grant/subrecipient monitoring activities involve oversight and coordination by TDOT program areas and TDOT Finance/Fiscal Monitoring Group. The purpose of this letter is to document the division of responsibilities in monitoring activities between TDOT Highway Beautification Office and TDOT Fiscal Monitoring Group for the monitoring year of 2024 (October 1, 2023 – September 30, 2024).

TDOT's approach will involve monitoring both state and federal funding in a similar manner. The division of monitoring responsibilities will follow the compliance requirement areas identified in 2 CFR part 200, Appendix XI (the Compliance Supplement). In addition, monitoring will include Title VI/Nondiscrimination Compliance as required per the State of Tennessee Central Procurement Office Policy Number 2013-007.

For monitoring year 2024, the Fiscal Monitoring Group will issue a single department-wide report for each grantee/subrecipient monitored by the Fiscal Monitoring Group listing all grants/contracts that were monitored across all TDOT program areas.

In order to avoid duplication of efforts, the Fiscal Monitoring Group will not include testing in their work in the areas identified as being reviewed by the TDOT Highway Beautification Office. Our review work will only include observed documentation to the effect that TDOT Highway Beautification Office has performed the monitoring in the areas identified.

Compliance Requirement Areas

Activities Allowed or Unallowed – Monitored by TDOT Highway Beautification Office

The approving signature of the TDOT Highway Beautification Office employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for

payment and has verified that all items are allowable under the contract and all applicable federal and state regulations related to the grant/contract.

Allowable Costs/Cost Principles – Monitored by TDOT Finance/Fiscal Monitoring Group

Cash Management – Monitored by TDOT Fiscal Monitoring Group

Wage Rate Requirements/Davis-Bacon Act – Not Applicable

This compliance requirement area is not applicable to grants/contracts with the TDOT Highway Beautification Office.

Eligibility – Not Applicable

The Highway Beautification Office grants/contracts are issued for the public good. There are no requirements related to individuals or organizations receiving eligible benefits.

Equipment and Real Property Management – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Highway Beautification Office

This compliance requirement is not usually applicable to grants/contracts with the TDOT Highway Beautification Office. When it is applicable, the Fiscal Monitoring Group will monitor for compliance related to the completeness/accuracy of the inventory records. If a field visit is performed, the Fiscal Monitoring Group will physically observe equipment (on a sample basis).

It should be noted that specific equipment and/or real property management procedures related to the aware and/or nature of the program should be monitored by the TDOT program area. If there are requirements associated with preventative maintenance, the TDOT program area will be responsible for monitoring for preventative maintenance compliance. In addition, since the Fiscal Monitoring Group does not always perform field visits, the TDOT program area should not rely on the Fiscal Monitoring Group for any compliance requirements associated with physical inventory and/or physical inspections.

Matching, Level of Effort, Earmarking – Monitored by TDOT Finance/Fiscal Monitoring Group

Period of Performance – Monitored by TDOT Finance/Fiscal Monitoring Group

Procurement and Suspension & Debarment – Monitored by TDOT Finance/Fiscal Monitoring Group

Program Income – Not Applicable

Reporting – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Highway Beautification Office

The Fiscal Monitoring Group will monitor for compliance with financial reporting requirements required by contract language. The TDOT Highway Beautification Office will monitor for compliance with programmatic reporting requirements.

It is noted that grantees/subrecipients have required reporting related to successes of the program. Requests for payments are not to be processed without this reporting. Therefore, the approving signature of the TDOT Highway Beautification Office employee on the request for payment will indicate that he/she has reviewed this report.

Note: The Annual and Final Reports (required in most grant contract language) will be considered programmatic reports monitored by TDOT Highway Beautification Office. TDOT Finance/Fiscal Monitoring Group will continue to monitor the Disbursement Reconciliation and Close Out Report (required in most grant contract language) as a financial reporting requirement required by contract language.

Special Tests and Provisions – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Highway Beautification Office

This compliance requirement is not always applicable. When applicable, the Fiscal Monitoring Group will monitor for any special tests and provisions that are fiscal in nature. TDOT Highway Beautification will monitor for any special tests and provisions that are programmatic in nature.

Grantees/subrecipients are required to utilize funding for a combination of education and cleanup activities. There is a ceiling percentage for cleanup funding. The requests for payment have to detail the spending between the two functions. The approving signature of the TDOT Highway Beautification Office employee on the request for payment will indicate that he/she has reviewed the spending percentages for the functions.

Title VI/Nondiscrimination Compliance – Monitored by TDOT Finance/Fiscal Monitoring Group, TDOT Highway Beautification Office, and TDOT Civil Rights Office

The Fiscal Monitoring Group will assist with monitoring in this compliance requirement area by performing physical inspections of postings during field work. However, it is noted that field work is generally only performed by the Fiscal Monitoring Group when needed for high risk grantees/subrecipients. If and as necessary, the Highway Beautification Office will work with the TDOT Civil Rights Office to ensure monitoring for Title VI/Nondiscrimination is satisfactory.

If we have stated the procedures and documentation processes correctly, and you are willing to accept our assertions on your behalf in a single department-wide audit report, please sign below.

Thank you,



Carla Spann
External Audit Fiscal Director



Michael McClanahan
Highway Beautification Manager

I. Background and Program Descriptions

The Highway Beautification Office (HBO) is part of the Tennessee Department of Transportation (TDOT) Environmental Division. It is responsible for regulation of outdoor advertising, vegetation, and junkyards, as well as scenic preservation and enhancement. Two of the programs that allow the department to provide funds to local communities for environmental improvement are the Litter Grant Program and the cooperative agreement with Keep Tennessee Beautiful, housed within the Center for Regional Economic Enrichment at the University of Memphis.

In 1981, the Soft Drink and Malt Beverage Industries took a comprehensive, proactive approach to prevent their bottles and other trash from becoming litter along Tennessee roadways. As good corporate citizens, the industry lobbied to establish a tax on their products to help fund litter prevention in Tennessee. Thanks to the Soft Drink and Malt Beverage Industries, litter funds are generated through a tax on soft drinks and malt beverages.

TCA § 67-4-402 and TCA § 57-5-201 establish funding for the TDOT Litter Grant Program. The law gives TDOT discretion on how to best use the funds to clean up and prevent litter, and matters related to litter, such as recycling or litter in storm water runoff.

Since 1983, TDOT's Highway Beautification Office has been administering Litter Grant funds which are available to all 95 counties. The amount of funding a county receives is determined by a formula based on population and road miles. The Litter Grant Program supports a variety of programs and activities that help reduce litter throughout Tennessee.

Through the efforts of our county partners, the Litter Grant Program is responsible for removing an average of 11,243 tons of litter each year. Over the 39-year history of the program (1983 to 2022) this equates to the removal of more than 428,200 tons of litter from our roadways.

II. Goal

The goal of the Litter Grant Programmatic Accountability and Monitoring Measures is to ensure each county receiving state funds through the program adheres to the terms, conditions, and scope of the grant. In addition to providing appropriate documentation for expenditures, recipients must demonstrate that their expenditures are aligned with the stated outcomes contained within their annual work plan and education plan. Through careful review of recipients' reported activities, HBO staff determines the extent to which each county is in accordance with program expectations.

III. Scope

Each year, counties submit an application for a TDOT Litter Grant. The application packet consists of a resolution in which the county commission approves the mayor (or designee) to apply for the grant and abide by the terms contained therein, a proposed budget, a work plan, and an education plan. While the first two components pertain mostly to the financial management side of the program, the work plan and education plan outline in detail how the county will go about fulfilling the programmatic obligations.

The work plan provides specific details regarding the frequency and process for the collection of litter, use of inmate labor, and safety precautions to be observed during litter removal activities. The education plan provides insight into the county's plan to provide meaningful educational opportunities regarding litter prevention and environmentally friendly practices such as reduction of waste and recycling initiatives to a variety of audiences. The five recognized educational areas include public education, media education, business education, student education, and government education. The education plan should demonstrate specific activities for at least three of these areas each year.

IV. Risk Assessment

Each grant issued by the Highway Beautification Office is a reimbursement grant requiring supplemental documentation for all expenses. Risk of misuse of grant funding is minimal, 3.0 on a 0-10 scale. Risk is largely derived from the potential for inaccurate performance reporting or falsified invoices by recipients, or the inability to properly monitor reimbursement requests by TDOT staff. Staff use a tool during the grant application phase, to evaluate risk for all grantees. Criteria in the tool include grantee staff experience, prior performance and/or financial issues, prior desk audit results and findings.

Office of Highway Beautification Office Risk Assessment Form

Agency Information	Project Description: _____
Grantee: _____	Contact Person: _____
Grantee Address: _____	Phone Number: _____

Risk Categories

1. Total contract funds available for grant	Enter Points					
<table border="1" style="width: 100%;"><tr><td>\$50,000 or less 1 point</td><td>\$50,001 – \$125,000 2 points</td><td>\$125,001 – \$200,000 3 points</td><td>\$200,001 – \$275,000 4 points</td><td>\$275,001 or more 5 points</td></tr></table>	\$50,000 or less 1 point	\$50,001 – \$125,000 2 points	\$125,001 – \$200,000 3 points	\$200,001 – \$275,000 4 points	\$275,001 or more 5 points	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
\$50,000 or less 1 point	\$50,001 – \$125,000 2 points	\$125,001 – \$200,000 3 points	\$200,001 – \$275,000 4 points	\$275,001 or more 5 points		
2. Total number of grants/contracts the grantee has administered by the HBO Office	Enter Points					
<table border="1" style="width: 100%;"><tr><td>1 1 point</td><td>2 2 points</td><td>3 3 points</td><td>4 4 points</td><td>5 5 points</td></tr></table>	1 1 point	2 2 points	3 3 points	4 4 points	5 5 points	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
1 1 point	2 2 points	3 3 points	4 4 points	5 5 points		
3. Results of prior monitoring on projects	Enter Points					
<table border="1" style="width: 100%;"><tr><td>0 Findings 0 points</td><td>1-2 Findings 1 point</td><td>3-5 Findings 3 points</td><td>6 or more Findings 5 points</td></tr></table>	0 Findings 0 points	1-2 Findings 1 point	3-5 Findings 3 points	6 or more Findings 5 points	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
0 Findings 0 points	1-2 Findings 1 point	3-5 Findings 3 points	6 or more Findings 5 points			
4. Effect of staff changes on grant implementation	Enter Points					
<table border="1" style="width: 100%;"><tr><td>No Effect 0 points</td><td>Low Effect 1 point</td><td>Medium Effect 3 points</td><td>High Effect 5 points</td></tr></table>	No Effect 0 points	Low Effect 1 point	Medium Effect 3 points	High Effect 5 points	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
No Effect 0 points	Low Effect 1 point	Medium Effect 3 points	High Effect 5 points			
5. Experience with state contracts	Enter Points					
<table border="1" style="width: 100%;"><tr><td>10 years or more 1 point</td><td>6 – 9 years 2 points</td><td>3 – 5 years 3 points</td><td>2 years or less 4 points</td><td>Completely New 5 points</td></tr></table>	10 years or more 1 point	6 – 9 years 2 points	3 – 5 years 3 points	2 years or less 4 points	Completely New 5 points	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
10 years or more 1 point	6 – 9 years 2 points	3 – 5 years 3 points	2 years or less 4 points	Completely New 5 points		

TOTAL RISK ASSESSMENT SCORE =

0

Risk Level - (0 - 10 = Low) (11 - 19 = Medium) (20 - 25 = High)

Risk Assessment Conducted by: _____

Title: _____

Date of Review: _____

V. Detailed Review Procedures

When HBO staff members review Litter Grant invoice packets, they ensure each invoice is accompanied by a required monthly progress report. This progress report provides performance details such as a list of roads cleaned during the month, number of personnel and volunteers involved in cleanup events, the number of pounds of litter removed, and the number of pounds of litter recycled. These details are

compared to the work plan submitted in the application, to ensure adequate progress is made toward the proposed goals. Additionally, the progress report breaks down educational expenditures into each of the five recognized areas. HBO staff compares the educational breakdown listed on the monthly progress report against the education plan submitted with the application in order to ensure adequate progress is being made in the areas proposed and agreed to by the respective county. Counties are encouraged to submit additional information documenting grant-funded efforts, and often include several photographs of litter collection efforts, as well as clippings from local newspapers covering their efforts. They also provide landfill invoices (when applicable) to document proper disposal of collected litter.

VI. Ongoing Education

In addition to monitoring progress reports for recipient compliance, the HBO Environmental Outreach Team also provides several training events and workshops throughout the year. These events include discussions about proper use of funds, as well as ideas for improving the quality of educational outreach efforts. Throughout the year, Environmental Outreach staff will communicate via email and planned newsletters to highlight areas where many counties can improve performance, while praising successful efforts and encouraging expansion of such programs.

VII. Staff and Organization

Highway Beautification has three full time equivalents (3.0 FTE) who have grant monitoring as a portion of their job duties. This includes a Transportation Manager (1.0), and two Transportation Program Monitor II (2.0.)

VIII. Site Visits

In addition to the oversight of submitted materials, HBO staff will conduct a site visit with every grant recipient in order to monitor and review department funded activities. Each visit will be documented through the completion of a paper form and recorded electronically. Site visits focus on personnel costs, operational costs, educational programming costs and records retention.

During and after the visits, HBO staff members provide corrective feedback and additional resources to recipients.



**HIGHWAY BEAUTIFICATION OFFICE
LITTER GRANT SUB-RECIPIENT SITE VISIT CHECKLIST**

Site Visit Information

County: _____ Date: _____

Reviewer 1: _____ Reviewer 2: _____

Schedule 1: Salaries & Benefits

Did Reviewer Meet with Staff: _____ Staff Name: _____ Role: _____

Comments:

Schedule 2: Direct Costs

Roadside Pickup Witnessed: _____ State Rt. _____ Road Name: _____

How are Road Names & Mileage Reported: _____

Where are Fixed Assets Located: _____ Secured Location: _____

Comments:

IX. Guidelines

HBO staff conduct grant monitoring site visits with Litter Grant recipients across the state, and meet with every Tennessee County across a 3 year period. While on site visits, HBO staff members meet with local officials, review grant records and check posted signage for Title VI and EEO compliance. The site visits are excellent opportunities to discuss issues with invoicing and documentation, allowable costs, and to see how performance indicators are calculated and reported. Additionally, HBO staff should witness a cleanup and/or drive routes recently reported as cleaned on the site visit. All site visits are documented through a standardized form, to be completed within 2 days of returning to the office. All site visits are discussed as a group during weekly staff meetings, and forms are stored on the Office's shared network drive.

X. 2023 Monitoring Results

Between October 1, 2022 and September 1, 2023, HBO staff have conducted 30 grant monitoring site visits to Litter Grant recipients. Staff has identified 1 finding in Shelby County, related to the timekeeping of the Education Coordinator. This finding was documented and addressed by reducing invoices within the same grant year. Staff has also recommended officials for grant training and noted areas for future concern in invoice review.

Additionally, TDOT External Audit has conducted desk reviews of roughly 45 Litter Grant and Special Litter Grant recipients. 37 reviews were reported as having no findings. 4 findings were procedural findings and 4 findings were related employee timesheet documentation or cancelled checks for expenses not typically reviewed by Beautification staff in their initial review of monthly invoices.

All grants with findings have submitted a corrective action plan. All organizations submitting corrective action plans have been accepted.

XI. Corrective Action Plan

Once a grantee has been monitored and there is a finding a report is sent to the grantee, Internal Audit, Lance Goad of the Finance Office, and Mike McClanahan from Highway Beautification. The grantee is given no later than 30 days to submit a Corrective Action Plan to Mr. McClanahan.

When the grantee submits a Corrective Action Plan which is acceptable a copy is attached to their monitoring report, and it is placed in a file. A copy is also given to the monitor for their work papers. If the grantee fails to submit a plan, then a follow up is done. If the grantee submits a plan which is considered unacceptable a discussion usually occurs between Mike McClanahan, the monitor, and the grantee. The grantee is notified that their plan is unacceptable, and they must submit another Corrective Action Plan.

This will continue until an acceptable Corrective Action Plan is derived.

**TENNESSEE DEPARTMENT OF
TRANSPORTATION**

**LOCAL PROGRAMS DEVELOPMENT
OFFICE**



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

FINANCE DIVISION
SUITE 800, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2261

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

Date: August 16, 2023

To: Kimery Grant, Transportation Manager 2
TDOT Local Programs

From: Carla Spann, Fiscal Director 1
TDOT Finance / External Audit

Re: Letter of Understanding for 2024 Grant/Subrecipient Monitoring Responsibilities
Between TDOT Local Programs and TDOT Fiscal Monitoring Group

TDOT's grant/subrecipient monitoring activities involve oversight and coordination by TDOT program areas and TDOT Finance/Fiscal Monitoring Group. The purpose of this letter is to document the division of responsibilities in monitoring activities between TDOT Local Programs and TDOT Fiscal Monitoring Group for the monitoring year of 2024 (October 1, 2023 – September 30, 2024).

TDOT's approach will involve monitoring both state and federal funding in a similar manner. The division of monitoring responsibilities will follow the compliance requirement areas identified in 2 CFR part 200, Appendix XI (the Compliance Supplement). In addition, monitoring will include Title VI/Nondiscrimination Compliance as required per the State of Tennessee Central Procurement Office Policy Number 2013-007.

For monitoring year 2024, the Fiscal Monitoring Group will issue a single department-wide report for each grantee/subrecipient monitored by the Fiscal Monitoring Group listing all grants/contracts that were monitored across all TDOT program areas.

In order to avoid duplication of efforts, the Fiscal Monitoring Group will not include testing in their work in the areas identified as being reviewed by the TDOT Local Programs. Our review work will only include observed documentation to the effect that TDOT Local Programs has performed the monitoring in the areas identified.

Compliance Requirement Areas

Activities Allowed or Unallowed – Monitored by TDOT Local Programs

The form used to request payment contains a section specifically stating that the local government official has reviewed the costs and activities submitted for reimbursement. By their signature, the local government indicates the activities invoiced are allowable under the contract and grant. On construction related projects, the Construction Engineering and Inspection (CEI) inspector may also sign indicating his assurance that activities were allowable. The TDOT Local Programs employee also has a place to sign indicating his/her review of the submitted activities and his/her agreement with the local government officials' assessment.

The approving signature of the TDOT Local Programs employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has verified that all items are allowable under the contract and all applicable federal and state regulations related to the grant/contract.

Allowable Costs/Cost Principles – Monitored by TDOT Finance/Fiscal Monitoring Group

Cash Management – Monitored by TDOT Finance/Fiscal Monitoring Group

Wage Rate Requirements/Davis-Bacon Act – Monitored by TDOT Local Programs

Note: In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. However, TDOT will take the approach to monitor the Wage Rate Requirements/Davis Bacon Act as a separate compliance requirement area. This approach is being taken in order to ensure that there is no confusion in the division of responsibilities in monitoring activities.

This compliance requirement area will be applicable on certain construction projects. When this requirement is applicable, the contractor is required to certify on each request for payment that wage rates are in compliance with the local prevailing wage. Also, the local government has a professional engineer under contract to perform CEI services. Both the engineer and local government official are required to verify this compliance information and approve by signature. In addition, the approving signature of the TDOT Local Programs employee on the request for payment will indicate that he/she has verified that the signature of the engineer and local government official is present representing compliance.

Eligibility – Not Applicable

The TDOT Local Programs grants/contracts are issued for the public good. There are no requirements related to individuals or organizations receiving eligible benefits.

Equipment and Real Property Management – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Local Programs

This compliance requirement is not always applicable. When it is applicable, the Fiscal Monitoring Group will request a copy of the inventory records. The Fiscal Monitoring Group will monitor for compliance related to completeness/accuracy of the inventory records. If a field visit is performed, the Fiscal Monitoring Group will physically observe equipment (on a sample basis).

It should be noted that specific equipment and/or real property management procedures related to the Federal award and/or nature of the program should be monitored by the TDOT program area. The TDOT program area should review any required preventative maintenance procedures for compliance with applicable standards. In addition, since the Fiscal Monitoring

Group does not always perform field visits, the TDOT program are should take the lead on performing physical inventory as required by 2 CFR 200.313. Any reporting on real property required under 2 CFR 200.329 will be monitored by the TDOT program area.

Matching, Level of Effort, Earmarking – Monitored by TDOT Finance/Fiscal Monitoring Group

Period of Performance – Monitored by TDOT Finance/Fiscal Monitoring Group

Procurement and Suspension & Debarment – Monitored by TDOT Finance/Fiscal Monitoring Group

Program Income – Monitored by TDOT Finance/Fiscal Monitoring Group

Reporting – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Local Programs
The Fiscal Monitoring Group will monitor for compliance with financial reporting requirements required by contract language. TDOT Local Programs will monitor for compliance with reporting requirements that are programmatic in nature and with any specific reporting requirements related to the Federal grant and/or program (including reporting requirements under 2 CFR 200.328).

Note: The Annual and Final Reports (required in most grant contract language) will be considered programmatic reports monitored by TDOT Local Programs. TDOT Finance/Fiscal Monitoring Group will continue to monitor the Disbursement Reconciliation and Close Out Report (required in most grant contract language) as a financial reporting requirement required by contract language.

Special Tests and Provisions – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Local Programs

This compliance requirement is not always applicable. When applicable, the Fiscal Monitoring Group will monitor for any special tests and provisions that are fiscal in nature. TDOT Local Programs will monitor for compliance with reporting requirements that are programmatic in nature and with any specific reporting requirements related to the Federal grant and/or program.

Title VI/Nondiscrimination Compliance – Monitored by TDOT Local Programs and TDOT Civil Rights Office

TDOT Local Programs will work closely with the TDOT Civil Rights Office to ensure that Title VI/Nondiscrimination requirements are met. The local governments are responsible for Title VI/Nondiscrimination compliance as stated in the Local Government Guidelines Manual. The signature of the approving TDOT Local Programs employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

If we have stated the procedures and documentation processes correctly, and you are willing to accept our assertions on your behalf in a single department-wide audit report, please sign below.

Thank you,



Carla Spann
External Audit Fiscal Director

A handwritten signature in cursive script that reads "Kimery Grant".

Kimery Grant
Local Programs, Transportation Project Manager 2

INTRODUCTION

The Local Programs Development Office is a part of the Environment and Planning Bureau of the Tennessee Department of Transportation. Their function is to assist Local Governments in the administration of projects utilizing federal and state funds.

Director: Dan Pallme
Transportation Manager: Kimery Grant

OFFICE RESPONSIBILITIES:

- Inform Local Governments of available funding
- Coordinate Transportation Improvement Program information with FHWA and MPOs
- Review project initiation requests and coordinate project activities with Local Agencies and other Department sections
- Develop and secure execution of inter-agency agreements for project implementation
- Provide guidance and assistance in project implementation
- Review and process reimbursement requests for correctness and eligibility
- Provide a single source of contact for local management of federally and state funded projects
- Provide assistance and resources to local governments in the local management of federally and state-funded projects
- Review and process materials for local governments for locally-managed federally or state-funded projects
- Maintain the Local Government Guidelines manual
- Disseminate FHWA and TDOT policies and procedures to local governments

Monitoring Guides:

To accomplish these goals the LPDO has developed a manual titled Local Government Guidelines for Management of Federal and State Funded Transportation Projects. A copy of this manual may be found at https://www.tn.gov/content/dam/tn/tdot/programdevelopment/2023%20LGG_Manual.pdf

To ensure that all necessary procedures are accomplished through the course of a project the division utilizes the following checklist document for each grant.

LPDO – Locally Let Project Checklist

	Received Project Initiation Checklist
	Completed Sub-Recipient Monitoring Risk Assessment Form
	Requested Federal Project Number [Refer to Project Funding Request Memo]
	Sent Contract to Contract Processor
	Received Contract from Local Agency and sent US-1 to Request Obligation of PE-NEPA Funds [Refer to Project Funding Request Memo]
	Received Fully Executed Contract
	Sent NTP for PE-NEPA (**After Received POFA-5 Obligating PE-NEPA Funds when applicable)
	Approved Environmental Document (NEPA)
	Sent US-1 to Request Obligation of PE-Design Funds [Refer to the Project Funding Request Memo]
	Sent NTP for PE-Design (**After Received POFA-5 Obligating PE-Design Funds when applicable)
	Received Preliminary Plans and sent to appropriate Divisions for review
	Received signed Design Certification Letter
	Received ROW plans for the project and sent to appropriate Divisions for review
	Received Preliminary Construction Estimate
	Sent US-1 to Request Obligation of ROW Funds [Refer to Project Funding Request Memo]
	Sent NTP for ROW with reviewed ROW Plans, Project Supervisor Info, and Environmental Document to Region ROW Office (**After Received POFA-5 Obligating ROW Funds when applicable)
	Received Title VI Compliance from Civil Rights Division (Letter)
	Received DBE Goal Assessment Concurrence from Civil Rights Division if applicable (federal-aid project and construction costs estimated over \$500,000 or close to it)
	Received Concurrence of Construction Estimate from Estimating Office
	Received Construction Plans and sent to appropriate Divisions for review. Concurrence needed from Design Division only
	Received Final Stamped Construction Plans
	Received Concurrence of Bid Book by Construction Office
	Received Permit Certification from Permits Office (Concurrence email from tdot.env.permitslg@tn.gov)
	Received ROW Certification from ROW Manager
	Received Utility Certification from ROW-Utilities Section
	Bid Advertisement has been Reviewed & Approved by Program Monitor
	*After all the Above was Completed, Sent US-1 to Request Obligation of Construction Funds [Refer to Project Funding Request Memo]
	Sent NTP for Construction to Local Agency (**After received POFA-5 Obligating Construction Funds)
	Received Bid Documents and Request for TDOT Concurrence on Award/Rejection from Local Agency
	Emailed Bid Tabs (Excel), Signed Proposal Sheets, City Recommendation Letter, Consultant Certifying bids letter & Construction Advertising & Award Checklist asking for Concurrence
	Received Concurrence Emails from Construction Division
	Sent Bid Award Email; Confirm funding before email is sent
	Sent US-1 for Bid Award [Refer to Project Funding Request Memo], Update Civil Rights spreadsheet

STAFF DEDICATED TO LPDO MONITORING:

Full-time monitoring staff:

- 1 Transportation Manager 2
- 2 Transportation Manager 1s
- 2 Transportation Program Supervisors
- 7 Transportation Program Monitors

Program Descriptions:

CFDA 20.205 Highway Planning and Construction (Federal-Aid Highway Program)

Federal Highway Administration-Department of Transportation

The purpose of this program is to assist State transportation agencies in the planning and development of an integrated and interconnected transportation system. It includes the construction and rehabilitation of the National Highway System including the interstate system and for improvements to all public roads except those classified as local.

Federal-aid highway funds are generally apportioned by statutory formulas to the States. They are generally restricted to roads open to the public and not classified as local. Exceptions to this include planning and research activities, bridge, bicycle and pedestrian, safety improvements which may be done on any public road, transportation enhancement activities, recreational trails program, and the Federal Lands Highway Program. Federal-aid funds may be used for surveying, engineering, right-of-way acquisition, relocation assistance for capital improvement projects classified as new construction, reconstruction, improvements for functional, geometric or safety reasons, restoration, rehabilitation, resurfacing, planning, research, and other areas.

Projects in urban areas of 50,000 or more population must be based on a transportation planning process carried out by the Metropolitan Planning Organization (MPO) in cooperation with the State and transit operators, and be included in metropolitan plans and programs. All projects must be included in the approved Statewide Transportation Improvement Program (STIP) and are developed as part of the required Statewide transportation planning process.

PROGRAMS AVAILABLE FOR LOCAL GOVERNMENTS

State Aid Road

- Used to fund locally-managed repair or maintenance projects on State Aid designated roads in county jurisdictions. Funds are appropriated to each county. Funding: 98% state / 2% local

State Aid Bridge

- Used to fund locally-managed bridge repair / maintenance projects. Funds are appropriated to each county. Funding: 98% state / 2% local

Interchange Lighting

- Used to fund the lighting on interstate interchanges. Funding: 50% state / 50% local

Local Interstate Connector

- Used to fund locally-managed interstate connection repair / maintenance projects. Eligible projects must connect an interstate to an area of local interest. Funding: 50% state / 50% local

State Funds/Betterment

- Used to designate projects that are funded with state money allocated to the Department of Transportation by the Legislature but allocated by the Department to projects for local management of routine maintenance repair or construction of highway activities.

Surface Transportation Block Grant (STBG)

- Funding available to cities and urban areas with populations over 5,000
- In cities and urban areas of more than 50,000 in population, funds are distributed through a Metropolitan Planning Organization and project must be in approved Transportation Improvement Program (TIP).
- In cities of fewer than 50,000 populations, project is initiated by request letter from Local Government to the Manager of Local Programs.
- Generally, federal funds pay 80% of project cost but some safety related projects are eligible for 100% federal funding.
- Local Government pays 20% of project cost for off-system projects and for any on-system projects requiring more than a \$500,000 match, unless the Chief Engineer agrees otherwise
- Regionally significant projects go through the Regional Planning Organization.
- Funds can be used for all types of roadwork and other activities:
 - Construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvements for highways (including Interstate highways) and bridges
 - Capital costs for transit projects
 - Carpool projects, fringe and corridor parking facilities and programs, bicycle transportation and pedestrian walkways

- Highway and transit safety Infrastructure Improvements and programs, hazard eliminations, projects to mitigate hazards caused by wildlife, and railway-highway grade crossings
 - Highway and transit research and development and technology transfer programs
 - Capital and operating costs for traffic monitoring and management
 - Surface Transportation planning programs
 - Transportation Enhancement activities
 - Transportation control measures listed in Section 108 of the Clean Air Act
 - Development and establishment of management systems under section 303 Title 23
 - Natural habitat and wetlands mitigation efforts related to projects funded under this title
 - Infrastructure-based Intelligent transportation systems capital Improvements
 - Environmental restoration and pollution abatement projects (including the retrofit or construction of storm water treatment systems) to address water pollution or environmental degradation caused or contributed to by transportation facilities.
- Program provides funding for all phases of project development.
 - Highway related projects funded with STBG funds must be on roads functionally classified higher than local and rural minor collectors.
 - If the project is administered by the local government, the local government pays project expenses and submits itemized requests for reimbursement with supporting data.

Transportation Alternatives Program (TAP)

- Authorized under Section 1122 of Moving Ahead for Progress in the 21st Century Act (MAP-21) and codified at 23 U.S.C. sections 213(b), and 101(a)(29) which provides for the reservation of funds apportioned to a State under section 104(b) of title 23 to carry out the TAP funding. This program also includes the Recreational Trails Program (RTP) and Safe Routes to Schools Program (SRTS).
- Federally funded projects that enhance transportation system (construction of pedestrian facilities and bike trails, restoration of historic transportation buildings, landscaping, etc.).
- Tennessee chooses to operate the enhancement program on a competitive, reimbursable grant program to Local Governments. Commissioner and Governor select projects for funding.
- Local Government manages all phases of project development.
- Projects are funded with 80% federal funds, construction only for TAP projects. The SRTS program uses 100% federal funds (still using leftover SAFETEA-LU allocations).
- Local Government pays project expenses and submits itemized requests for reimbursement with supporting data only for TAP construction expenditures.
- Local Government is reimbursed 80% of eligible construction expenses to the limit of the funding provided.

Safe Routes to Schools Program (SRTS)

- Authorized under Section 1122 of Moving Ahead for Progress in the 21st Century Act (MAP-21) and codified at 23 U.S.C. sections 213(b), and 101(a)(29) which provides for the reservation of funds apportioned to a State under section 104(b) of title 23 to carry out the TAP funding. This program also includes the Recreational Trails Program (RTP) and Safe Routes to Schools Program (SRTS).
- Eligible projects include those that get children safely to school (construction of pedestrian and bike facilities, pedestrian crossings, educational outreach, etc.).
- Projects must include an educational component.
- A review committee reviews and scores applications. The highest ranking applications receive funding.
- Local Government manages all phases of project development unless they request that TDOT manage the NEPA Phase.
- The SRTS program uses 100% federal funds (still using leftover SAFETEA-LU allocations).
- Local Government pays project expenses and submits itemized requests for reimbursement with supporting data only for SRTS expenditures.

Congestion Mitigation and Air Quality Impact Program (CMAQ)

- Federal funding available to local governments in non-attainment or maintenance areas. (This means the local government is not in compliance with the National Air Quality Standards or has been out of compliance and is now maintaining compliance.)
- Generally, federal funds pay 80% of entire project cost except for certain activities that are eligible for 100% federal funding.
- Funds are to be used for projects that can demonstrate a reduction in emissions. They can be used for highway construction only if the construction does not increase capacity and supports emission reduction, such as signalization and intersection improvements to reduce congestion. They can also be used for the promotion of ridesharing and vanpooling, bike and pedestrian facilities, intelligent transportation systems, and incident management.
- If the project is administered by the local government, the local government pays project expenses and submits itemized requests for reimbursement with supporting data.

State Industrial Access Road (SIA) Program

- The Industrial Highway Act of 1959 (TCA § 54-4-403) authorizes TDOT to contract with local governments for the development of "industrial highways" in order to provide access to industrial areas and to facilitate the development and expansion of industry within Tennessee. TDOT considers and approves these road projects based on project eligibility, economic criteria, physical constraints and available funding.
- Projects are funded with 100% state funds except for right-of-way activities which are 100% state funded.
- If the project is administered by the local government, the local government pays project expenses and submits itemized requests for reimbursement with supporting data.

Federal Bridge Replacement and Rehabilitation Program

- For the replacement and rehabilitation of deficient bridges that are located off the state and interstate system of highways.
- When funding is available, TDOT selects bridges for replacement from the bridge replacement list. The number of bridges to be replaced is governed by the amount of federal bridge replacement funding available.
- Projects are funded with 80% federal funds.
- If the project is administered by the local government, the local government pays project expenses and submits itemized requests for reimbursement with supporting data.

High Priority Bridge Replacement Program (HPBRP)

- The HPBRP, per TCA § 54-4-601, provides funding for priority bridges not located on the State system of highways, known as off-system bridges, for local governments meeting the eligibility requirements in TCA § 54-4-504(c).
- This program can pay up to 100% of the total project cost. It can be used alone or in combination with other bridge programs to rehabilitate or replace off-system bridges in Tennessee.
- If the project is administered by the local government, the local government pays project expenses and submits itemized requests for reimbursement with supporting data.

Federal Lands Access Program (FLAP)

- This program was established under section 1119 of the Moving Ahead for Progress in the 21st Century Act (MAP-21) (Pub. L. 112- 141) and continued under the Fixing America's Surface Transportation Act (FAST Act) (Pub. L. 114-94). It provides funds for projects on Federal Lands Access Transportation Facilities that are located on or adjacent to, or that provides access to Federal lands.
- This program can pay up to 100% of the total project cost. Other Federal funds not authorized under titles 23 or 49 may also be used to pay the non-Federal share of any transportation project funded under title 23 or chapter 53 of title 49 that is within, adjacent to, or provides access to Federal land.
- If the project is administered by the local government, the local government pays project expenses and submits itemized requests for reimbursement with supporting data.

RISK ASSESSMENTS:

The LPDO uses the standard risk assessment form for each project prior to the awarding of grant contracts. The risk assessment is completed and filed during the initiation/eligibility determination phase. Risk assessments will also be completed annually for each subrecipient. The risk assessment evaluates the amount of the grant, the number of active grants, prior monitoring results, staff changes, and prior experience. The level of risk is designated a number (0 being the lowest risk / 25 being the highest).

Agency Information

TDOT PIN #: _____

Project Description: _____

Sub-recipient Name: _____ County: _____

Contact Person: _____

Agency Address: _____

Phone Number: _____

Risk Categories**1. Total contract funds available for grant**

Enter Points

\$100,000 or less	\$100,001 – \$300,000	\$300,001 – \$500,000	\$500,001 – \$1,000,000	\$1,000,001 or more
1 point	2 points	3 points	4 points	5 points

2. Total number of Local Program grants/contracts the sub-recipient has open/active/let administered by Local Programs (including state let)

Enter Points

2	3 – 4	5 – 6	7 – 9	10 or more
1 point	2 points	3 points	4 points	5 points

3. Results of prior monitoring or projects

Enter Points

0 Findings	1-2 Findings	3-5 Findings	6 or more Findings
0 points	1 point	3 points	5 points

4. Effect of staff changes on project implementation

Enter Points

No Effect	Low Effect	Medium Effect	High Effect
0 points	1 point	3 points	5 points

5. Experience with Local Program state contracts

Enter Points

10 years or more	6 – 9 years	3 – 5 years	2 years or less	Completely New
1 point	2 points	3 points	4 points	5 points

TOTAL RISK ASSESSMENT SCORE =

0

Risk Level - (0 - 10 = Low) (11 - 19 = Medium) (20 - 25 = High)

Risk Assessment Conducted by: _____

Title: _____

Date of Review: _____

2023 MONITORING RESULTS/CORRECTIVE ACTION PLAN:

The LPDO's process is set up to address issues and findings as they arise and before issuing reimbursements. Our review process is a multi-step / multi-divisional effort where projects are periodically reviewed and not allowed to proceed with the next step until the current issue is addressed (i.e. the grantee submits a set of design plans, the Design Division reviews that set of plans and finds an issue, the issue is passed along to the grantee to be addressed, and the grantee fixes the issue and resubmits plans).

TDOT Long Range Planning Division

Program Monitoring Plan

Submitted by:

Janice Shellington-Jenkins, Transportation Program Supervisor
Long Range Planning Division, Administration Office

Janice.ShellingtonJenkins@tn.gov

615.253.6301



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

FINANCE DIVISION
SUITE 800, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2261

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

Date: August 14, 2023

To: Matt Meservy, Director
TDOT Long Range Planning Division

From: Carla Spann, Fiscal Director 1
TDOT Finance / External Audit

Re: Letter of Understanding for 2024 Grant/Subrecipient Monitoring Responsibilities
Between TDOT Long Range Planning and TDOT Fiscal Monitoring Group

TDOT's subrecipient monitoring activities involve oversight and coordination by TDOT program areas and TDOT Finance/Fiscal Monitoring Group. The purpose of this letter is to document the division of responsibilities in monitoring activities between TDOT Long Range Planning (TDOT Planning) and TDOT Fiscal Monitoring Group for the monitoring year of 2024 (October 1, 2023 – September 30, 2024).

TDOT's approach will involve monitoring both state and federal funding in a similar manner. The division of monitoring responsibilities will follow the compliance requirement areas identified in 2 CFR part 200, Appendix XI (the Compliance Supplement). In addition, monitoring will include Title VI/Nondiscrimination Compliance as required per the State of Tennessee Central Procurement Office Policy Number 2013-007.

For the monitoring year 2024, the Fiscal Monitoring Group will issue a single department-wide report for each grantee/subrecipient monitored by the Fiscal Monitoring Group listing all grants/contracts that were monitored across all TDOT program areas.

In order to avoid duplication of efforts, the Fiscal Monitoring Group will not include testing in their work in the areas identified as being reviewed by TDOT Planning. Our review work will only include observed documentation to the effect that TDOT Planning has performed the monitoring in the areas identified.

Compliance Requirement Areas

Activities Allowed or Unallowed – Monitored by TDOT Planning

The activities performed utilizing Planning funding are monitored through a monthly report for Rural Planning Organizations (RPOs) and a quarterly report for Metropolitan Planning

Organizations (MPOs). The approving signature of the TDOT Planning employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has verified that all items are allowable under the contract and all applicable federal and state regulations related to the grant/contract.

Allowable Costs/Cost Principles – Monitored by TDOT Finance/Fiscal Monitoring Group

Cash Management – Monitored by TDOT Finance/Fiscal Monitoring Group

Wage Rate Requirements/Davis-Bacon Act – Not Applicable

This compliance requirement is not applicable to grants/contracts with TDOT Planning.

Eligibility – Not Applicable

The Planning grants/contracts are issued for the public good. There are no requirements related to individuals or organizations receiving eligible benefits.

Equipment and Real Property Management – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Planning

This compliance requirement is not always applicable. When applicable, the Fiscal Monitoring Group will request a copy of the inventory records. The Fiscal Monitoring Group will monitor for compliance related to completeness/accuracy of the inventory records. If a field visit is performed, the Fiscal Monitoring Group will physically observe equipment (on a sample basis).

It should be noted that specific equipment and/or real property management procedures related to the Federal award and/or nature of the program should be monitored by the TDOT program area. The TDOT program area should review any required preventative maintenance procedures for compliance with applicable standards. In addition, since the Fiscal Monitoring Group does not always perform field visits, the TDOT program area should take the lead on performing physical inventory as required by 2 CFR 200.313. Any reporting on real property required under 2 CFR 200.329 will be monitored by the TDOT program area.

Matching, Level of Effort, Earmarking – Monitored by TDOT Finance/Fiscal Monitoring Group

Period of Performance – Monitored by TDOT Finance/Fiscal Monitoring Group

Procurement and Suspension & Debarment – Monitored by TDOT Finance/Fiscal Monitoring Group

Program Income – Monitored by TDOT Finance/Fiscal Monitoring Group

Reporting – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Planning

The Fiscal Monitoring Group will monitor for compliance with financial reporting requirements required by contract language. TDOT Planning will monitor for compliance with reporting requirements that are programmatic in nature and with any specific reporting requirements related to the Federal grant and/or program (including reporting requirements under 2 CFR 200.328).

Note: The Annual and Final Reports (required in most grant contract language) will be considered programmatic reports monitored by TDOT Planning. TDOT Finance/Fiscal Monitoring Group will continue to monitor the Disbursement Reconciliation and Close Out

Report (required in most grant contract language) as a financial reporting requirement required by contract language.

Special Tests and Provisions – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Planning

This compliance requirement is not always applicable. When applicable, the Fiscal Monitoring Group will monitor for any special tests and provisions that are fiscal in nature. TDOT Planning will monitor for any special tests and provisions that are related to the Federal grant and/or are programmatic in nature.

Title VI/Nondiscrimination Compliance – Monitored by TDOT Planning and TDOT Civil Rights Office

Each MPO and RPO has a person assigned to Title VI compliance requirements. Compliance with this compliance requirement area is also reviewed by TDOT's Civil Rights Office and by Regional Planning Office personnel during field visits and meetings with MPO and RPO staff. The approving signature on the request for payment by authorized local agency personnel and by the TDOT Planning employee will indicate that compliance with monitoring in this compliance requirement area has been performed.

If we have stated the procedures and documentation processes correctly, and you are willing to accept our assertions on your behalf in a single department-wide audit report, please sign below.

Thank you,



Carla Spann
External Audit Fiscal Director



Matt Meservy
Director Long Range Planning Division

Background

TDOT's Long Range Planning Division (LRPD) is responsible for the planning, development, and management of statewide transportation studies and planning tools that help guide the policies and programs of TDOT and its various divisions. Specific responsibilities include developing the statewide long-range transportation plan, preparation of corridor studies, university research, travel data collection, feasibility studies and metropolitan and rural transportation planning coordination. The Division is responsible for monitoring and obtaining assurances from these federally funded programs to ensure compliance with federal requirements along with the administration and coordination of the State Planning and Research Work Program Work Program (SPR), Unified Planning Work Plans (UPWP), Annual Work Plans (AWP), and the TDOT's Congestion Mitigation and Air Quality Improvement Program (CMAQ).

Federal Program

**CFDA 20.205 Highway Planning and Construction (Federal-Aid Highway Program)
Federal Highway Administration – Department of Transportation**

The purpose of this program is to assist States in the planning and development of an integrated, interconnected transportation system important to interstate commerce and travel, support community-level transportation infrastructure, and to provide for other special purposes related to transportation.

Federal-aid highway funds are generally apportioned by statutory formulas to the States and are generally restricted to roads open to the public and not functionally classified as local or rural minor collector roads. Exceptions to the use on Federal-aid highways include (1) planning and research activities; (2) bridge and safety improvements, which may be any road; (3) highway safety improvement projects, bicycle and pedestrian projects, transportation alternatives, and recreational trails projects, which may be located along any road or off road; and (4) projects funded under Federal Lands and Tribal Transportation Program (FLTTP). Some limited categories of funds may be granted directly to other Federal agencies, tribal governments, other State Agencies, or Local Public Agencies (LPAs), such as cities, counties, Metropolitan Planning Organizations (MPOs), and other political subdivisions. States also may pass funds through to such agencies, but the States retain overall stewardship responsibility. While each category of funds has individual eligibility requirements, in general Federal-aid funds may be used for (surveying; (2) engineering studies and design; (3) environmental studies; (4) right-of-way

acquisition and relocation assistance; (5) capital improvements classified as new construction or reconstruction; (6) improvements for functional, geometric, or safety reasons; (7) 4R projects (restoration, rehabilitation, resurfacing, and reconstruction); (8) preservation; (9) planning: research, development and technology transfer; (10) intelligent transportation systems projects; (11) roadside beautification; (12) vegetation management; (13) wetland and natural habitat mitigation; (14) traffic management and control improvements; (15) improvements necessary to accommodate other transportation modes; (16) development and establishment of transportation management systems; (17) billboard removal; (18) fringe and corridor parking; (19) car pool and van pool projects; (20) historic preservation and rehabilitation of historic transportation facilities; (21) scenic and historic highway improvements; (22) inspection and evaluation of bridges, tunnels and other highway assets; (23) asset management; (24) construction of ferry boats, ferry terminal facilities, and approaches to such facilities; (25) highway safety improvement projects; (26) bicycle and pedestrian projects; (27) transportation alternatives; (28) recreational trails; and (29) workforce development, training, and education. These funds generally cannot be used for routine highway operational activities, such as police patrols, mowing, snow plowing, or maintenance, unless it is preventative maintenance. Also, certain authorizations (e.g., FLTTP, National Highway Performance Program (NHPP), Surface Transportation Block Grant (STBG) Program, or Congestion Mitigation and Air Quality (CMAQ) Improvement Program) may be used for improvements to transit.

The primary source of program requirements is 23 USC (Highways). Implementing regulations are found in 23 CFR (Highways) and 49 CFR (Transportation).

Programs Administered by the Long Range Planning Division:

- **Congestion Mitigation and Air Quality Improvement Program**

LRPD's Air Quality Planning Office is responsible for overseeing the federal Congestion Mitigation and Air Quality Improvement program (CMAQ). This program provides dedicated federal funding to state Departments of Transportation for projects that improve air quality and reduce congestion. This program funds transportation projects and programs that can demonstrate a reduction in emissions in air quality non-attainment and maintenance areas. They can be used for highway construction only if the construction does not increase capacity and supports emission reduction, such as signalization and intersection improvements to reduce congestion. They can also be used for the promotion of ridesharing and vanpooling, bike and pedestrian facilities, intelligent transportation systems, and incident management. Highway rehabilitation and maintenance activities are not eligible for CMAQ funding.

For most projects, CMAQ funding pays a maximum of 80 percent of eligible project costs. A minimum match of 20 percent non-federal funds is required for these projects. Project sponsors (e.g., local governments or private sector partners) are responsible for paying the 20 percent match. A small portion of CMAQ projects, such as carpool and vanpool projects, qualify for 100 percent funding.

The staff within the Air Quality Office plans, monitors, reviews, and coordinates the selection and completion of CMAQ awarded projects. The staff also ensures program monitoring and reporting is completed as defined in 23 U.S. Code 149.

The Air Quality Office utilizes a competitive funding process to award grants to eligible grantees. Funding is divided between two major portioned allotments under general competition and PM 2.5. Specific grantee responsibilities are also outlined in the grant, and the grantees are required to provide their accomplishments in meeting these responsibilities in their quarterly progress reports.

- **Metropolitan Planning Oversight**

LRPD's Office of Community Transportation (OCT) is responsible for monitoring the performance of the planning activities that occur within the Metropolitan Planning Organizations. Federal law mandates a comprehensive, continuing, cooperative planning process between state and local governments in urbanized areas with a population of 50,000 or greater. The organization responsible for carrying out this process is called a Metropolitan Planning Organization (MPO). Federal Planning (PL) and Section 5303 funds are allocated to the states annually by the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) respectively on a formula basis to fund the MPO planning process. In 2018, both funding sources were combined into a single Consolidated Planning Grant (CPG).

Federal-aid highway projects in metropolitan areas must be based on a transportation planning process carried out by an MPO in cooperation with the State, local officials, and transit operators. The projects must be included in the MPO's Metropolitan Transportation Plan (MTP) and in the Transportation Improvement Program (TIP).

TDOT sub-allocates the CPG funds to the eleven TN MPOs using a formula developed by TDOT and the MPOs and approved by FHWA and FTA. The

LRPD, in consultation with the TDOT Legal Office, prepares grants for each MPO area based on the CPG sub-allocation amount. MPOs then prepare 2-year Unified Planning Work Programs (UPWP), which outline the planning activities to be funded with CPG funds for the upcoming fiscal year. The UPWPs serve as the scope of work for the grants.

The staff within OCT are responsible for monitoring, reviewing, and coordinating all activities. The staff also ensures program monitoring and reporting is completed as defined in 23 CFR 450.

- **Rural Planning Oversight**

LRPD's Office of Community Transportation (OCT) is responsible for monitoring the performance of the planning activities that occur outside of the regions covered by the MPOs and coordinate community outreach between the RPO coordinators and OCT staff.

Funding is provided in the form of grants to each of the nine TN Rural Planning Organizations (RPOs). These organizations were developed for involving local officials and the public in TDOT's non-metropolitan transportation planning and decision-making process. Funds are allocated to each RPO using a formula a population formula developed by TDOT and the RPOs.

Similar to the MPO grants, the LRPD works with the TDOT Legal Office to prepare a grant for each RPO to assist with the staffing and administration of the RPO, as well as the development of transportation studies and reports. RPOs then prepare an Annual Work Plan (AWP), which outline the planning activities to be funded with SPR funds for the upcoming fiscal year. The AWP's serve as the scope of work for the grants. Specific grantee responsibilities are also outlined in the grant, and the RPOs are required to provide their accomplishments in meeting these responsibilities in their quarterly progress reports. Projects in nonmetropolitan areas of a State must be consistent with the State's Transportation Plan.

OCT staff are responsible for monitoring, reviewing, and coordinating all activities. The staff also ensures program monitoring and reporting is completed as defined in 23 CFR 420.

- **Research Program Oversight**

The LRPD's Research Office is responsible for managing TDOT's transportation research program and initiatives. The goal of the office is to enhance and improve the state's transportation system through high

quality research. All research should complement TDOT's strategic direction, in order to further the Department's stated goals and values.

The staff within the Research Office plans, conducts, monitors, reviews, and coordinates the selection and completion of transportation research projects supported by TDOT. The staff also ensures program monitoring and reporting is completed as defined in 23 CFR 420.117, with reporting defined in paragraph (b) on a quarterly basis.

The Research Office utilizes competitive and non-competitive funding processes to award grants to eligible grantees. No less than twenty five percent of TDOT's SPR Work Program is allocated for research, development, and technology transfer activities related to highway, public transportation, and inter-modal transportation systems in accordance with the provisions of 23 U.S.C. 505(b). States are required to document proposed use of research funds in Part 2 of the SPR work program approved by FHWA.

Grant Monitoring Procedures

The Administration Office monitors all grants processed within the LRPD. Program Monitors draft grant contracts and encumber funds as they are approved by the LRPD Director and then authorized by FHWA. Once a contract is approved and fully executed, program monitors review and process invoices as they are received for correctness, funding, and eligibility. At the completion of a project and/or when requested by lead staff, Program Monitors will close projects and recoup any federal, state, and local dollars remaining. The LRPD Administrative staff are trained to address issues as they arise and prior to approving and issuing reimbursements.

Grants are monitored on a continual basis. This is accomplished through ongoing communication, invoice reconciliations, and annual programmatic and financial reviews. Administrative staff will programmatically monitor all grants issued for all grantees every fiscal year to assure sub recipient compliance. The program monitoring requirements are as follows:

- Activity Eligibility Determination
- Progress and Financial Reporting
- Special Tests and Provisions, if programmatic in nature
- Title VI

All LRPD contracts include the following prefixes: *GG, GR, IG, Z19, Z20, Z21, Z22*

Risk assessments will be completed annually within 90 days of the end of the federal fiscal year.

Risk Assessments

Each grant issued by the Long Range Planning Division is a reimbursement grant requiring supplemental documentation for all expenses. Risk of misuse of grant funding is minimal. Risk is largely derived from the potential for inaccurate performance reporting or falsified invoices by recipients, or the inability to properly monitor reimbursement requests by TDOT staff.

As risk assessment forms are completed, each entity that we monitor is assigned a risk level. Grantees are assigned a risk level of Low, Medium, and High based on the evaluation of several factors identified within the Risk Assessment Forms.

Staff

The LRPD has 12 full time equivalents whose positions are responsible for monitoring grants. These positions include two TDOT Planning Managers, one Transportation Program Supervisor, six TDOT Planning Supervisors, six TDOT Planning Specialists Advanced, six Planning Specialists and three Transportation Program Monitors.

2023 Monitoring Results

The Long Range Planning Division did not issue any findings for FY 2023. The Long Range Planning Division monitored 57 subrecipients from October 1, 2022–September 30, 2023.

Corrective Action Plan

If a finding occurs, a corrective action plan will be required and will follow the steps outlined below:

1. A finding report will be issued to the grantee, Internal Audit, Lance Goad (TDOT Finance), and the Long Range Planning Division Director.
2. The grantee will be required to submit a corrective action plan to the Long Range Planning Division Director within 30 days.
3. The Long Range Planning Director will review the Corrective Action Plan with input from the Long Range Planning Division staff (Planning Managers, Program Monitors, TDOT Planning Supervisors and TDOT Planning Specialists).
4. The Long Range Planning Division Director will issue a Management Decision Letter detailing the Division's acceptance or rejection of the Corrective Action Plan.
 - a. If the grantee fails to submit a plan, then a follow up will occur.

- b. If a grantee submits a corrective action plan that is deemed unacceptable, they will be required to submit a revised corrective action plan.
- 5. Once an acceptable correction plan is received, the grantee will be notified, and a copy will be provided to the program monitor to attach to their finding report and save in the grantee's file.

**Long Range Planning Division
Sub-Recipient Monitoring CMAQ Risk Assessment Form**

Agency Information _____

Sub-recipient Name _____

Project Name _____

Contract Start Date _____

Contact Person _____ **Phone Number** _____

Risk Categories for TDM Subrecipients:

1. Total contract federal funds available for grant
\$400,000 or < = 1 pt. \$400,001-\$600,000 = 2 pts. \$600,001-\$800,000 = 3 pts.
\$800,001-\$1,000,000 = 4 pts \$1,000,001 or > = 5 pts. _____
2. What is the Division's experience with this subrecipient?
This is a continuing contract = 1 pt.
This is a new contract, but the Division has had experience with other contracts with this subrecipient = 3 pts.
The Division has inadequate experience to effectively rate this subrecipient = 5 pts. _____
3. What is the subrecipient's years of experience with State/Federal Government contracts?
10 years or > = 1 pt. 5-10 yrs = 2 pts. 2-5 yrs. = 3 pts 2 yrs. or < = 4 pts.
completely new = 5 pts. _____
4. Reimbursement Requests and Progress Reports submitted by the subrecipient are timely and accurate as stipulated in the contract.
Almost Always = 1 pt. Usually = 2 pts. Seldom = 4 pts. Rarely or Never = 5 pts. _____
5. Specific requirements or penalties have been put in place due to this subrecipient's overall performance.
None = 0 pt. Minor = 1 pt. Moderate = 3pts. Substantial = 5 pts. _____
6. Size of staff being monitored
Very Small (1-2) = 5 pts. Small (3-5) = 4 pts. Moderate (6-8) = 3 pts.
Large (9-11) = 2 pts. Very Large (Over 11) = 1 pt. _____
7. Changes in staff since last review
No changes = 0 pt. Moderate changes-low turnover = 3 pts. High turnover = 5 pts. _____

Total Risk Assessment Score

Risk Level (0-16 = Low) (17-25 = Medium) (26-31 = High) _____

Risk Assessment conducted by -

Title -

Date of Review -

Risk Categories for Capital Purchase Subrecipients:

1. Total contract funds available for grant
\$400,000 or < = 1 pt. \$400,001-\$600,000 = 2 pts. \$600,001-\$800,000 = 3 pts.
\$800,001-\$1,000,000 = 4 pts \$1,000,001 or > = 5 pts. _____
2. What is the Division's experience with this subrecipient?
This is a continuing contract = 1 pt.
This is a new contract, but the Division has had experience with other contracts with this subrecipient = 3 pts.
The Division has inadequate experience to effectively rate this subrecipient = 5 pts. _____
3. What is the subrecipient's years of experience with State/Federal Government contracts?
10 years or > = 1 pt. 5-10 yrs = 2 pts. 2-5 yrs. = 3 pts 2 yrs. or < = 4 pts.
completely new = 5 pts. _____
4. Reimbursement Requests and Progress Reports submitted by the subrecipient are timely and accurate as stipulated in the contract.
Almost Always = 1 pt. Usually = 2 pts. Seldom = 4 pts. Rarely or Never = 5 pts. _____
5. Specific requirements or penalties have been put in place due to this subrecipient's overall performance.
None = 0 pt. Minor = 1 pt. Moderate = 3pts. Substantial = 5 pts. _____
6. Number of equipment being purchased/repowered.
1 = 5 pts. 2 = 4 pts. 3 = 3 pts. 4 = 2 pts. 5+ = 1 pt. _____
7. Has the subrecipient used federal funds based on the rules and regulations (Buy America, etc.) provided in the contract.
No = 5 pts. Yes = 0 pt. _____

Total Risk Assessment Score

Risk Level (0-16 = Low) (17-25 = Medium) (26-31 = High) _____

Risk Assessment conducted by -

Title -

Date of Review -

Long Range Planning Division
Sub-Recipient Monitoring MPO Risk Assessment Form

Agency Information:

Sub-recipient Name _____

Contact Person _____ Phone Number _____

Risk Categories:

1. Total contract funds available for grant
\$400,000 or < = 1 pt. \$400,001-\$600,000 = 2 pts. \$600,001-\$800,000 = 3 pts.
\$800,001-\$1,000,000 = 4 pts \$1,000,001 or > = 5 pts. _____
2. What is the Division's experience with this subrecipient?
This is a continuing contract = 1 pt.
This is a new contract, but the Division has had experience with other contracts with this subrecipient = 3 pts.
The Division has inadequate experience to effectively rate this subrecipient = 5 pts. _____
3. What is the subrecipient's years of experience with State/Federal Government contracts?
10 years or > = 1 pt. 5-10 yrs = 2 pts. 2-5 yrs. = 3 pts 2 yrs. or < = 4 pts.
completely new = 5 pts. _____
4. Reimbursement Requests and Progress Reports submitted by the subrecipient are timely and accurate as stipulated in the contract.
Almost Always = 1 pt. Usually = 2 pts. Seldom = 4 pts. Rarely or Never = 5 pts. _____
5. Specific requirements or penalties have been put in place due to this subrecipient's overall performance.
None = 0 pt. Minor = 1 pt. Moderate = 3pts. Substantial = 5 pts. _____
6. Size of staff being monitored
Very Small (1-2) = 5 pts. Small (3-5) = 4 pts. Moderate (6-8) = 3 pts.
Large (9-11) = 2 pts. Very Large (Over 11) = 1 pt. _____
7. Changes in MPO staff since last review
No changes = 0 pt. Moderate changes-low turnover = 3 pts. High turnover = 5 pts. _____

Total Risk Assessment Score

Risk Level (0-16 = Low) (17-25 = Medium) (26-31 = High) _____

Risk Assessment conducted by -

Title -

Date of Review -

Long Range Planning Division
Sub-Recipient Monitoring RPO Risk Assessment Form

Agency Information:

Sub-recipient Name _____

Contact Person _____ Phone Number _____

Risk Categories:

1. Total contract funds available for grant
\$100,000 or < = 1 pt. \$100,001-\$200,000 = 2 pts. \$200,001-\$300,000 = 3 pts.
\$300,001-\$400,000 = 4 pts \$400,001 or > = 5 pts. _____
2. What is the Division's experience with this subrecipient?
This is a continuing contract = 1 pt.
This is a new contract, but the Division has had experience with other contracts with this subrecipient = 3 pts.
The Division has inadequate experience to effectively rate this subrecipient = 5 pts. _____
3. What is the subrecipient's years of experience with State/Federal Government contracts?
10 years or > = 1 pt. 5-10 yrs = 2 pts. 2-5 yrs. = 3 pts 2 yrs. or < = 4 pts.
completely new = 5 pts. _____
4. Reimbursement Requests and Progress Reports submitted by the subrecipient are timely and accurate as stipulated in the contract.
Almost Always = 1 pt. Usually = 2 pts. Seldom = 4 pts. Rarely or Never = 5 pts. _____
5. Specific requirements or penalties have been put in place due to this subrecipient's overall performance.
None = 0 pt. Minor = 1 pt. Moderate = 3pts. Substantial = 5 pts. _____
6. Changes in RPO staff since last review
No changes = 0 pt. Moderate changes-low turnover = 3 pts. High turnover = 5 pts. _____

Total Risk Assessment Score

Risk Level (0-16 = Low) (17-25 = Medium) (26-31 = High) _____

Risk Assessment conducted by –

Title –

Date of Review –

Long Range Planning Division
Sub-Recipient Monitoring Research Risk Assessment Form

Agency Information: _____

Sub-recipient Name _____

Contact Person _____ Phone Number _____

Risk Categories:

1. Total contract funds available for grant(s):
\$0 – 100,000= 1 pt. \$100,001-\$150,000 = 2 pts. \$150,001-\$200,000 = 3 pts.
\$250,001-\$300,000 = 4 pts \$300,001 or > = 5 pts. _____
2. What is the Division's experience with this PI?
The Division has had an overwhelmingly positive experience with this PI and their organization = 1 pt.
The Division has had mostly positive experiences with this PI and their organization = 2 pts.
This is the first time the Division has worked with this PI= 3 pts.
The Division has had some negative experiences and impacts related to working with this
PI and their organization. = 4 pts.
The Division has had multiple problematic experience with other contracts with this PI and their
organization = 5 pt. _____
3. What is the PI's years of experience with State/Federal Government contracts?
10 years or > = 0 pt. 5-10 yrs = 1 pts. 2-5 yrs. = 2 pts <2 years = 4 pts. _____
4. Reimbursement Requests and Progress Reports submitted by the PI are timely
and accurate as stipulated in the contract.
Almost Always = 1 pt. Usually = 2 pts. Not Yet known = 3pts. Seldom = 4 pts.
Rarely or Never = 5 pts. _____
5. Final Reports and deliverables submitted by the PI for other contracts are of high quality with few
grammatical errors. Requested revisions are addressed appropriately and in a timely manner.
Almost Always = 1 pt. Usually = 2 pts. Not Yet known = 3pts. Seldom = 4 pts.
Rarely or Never = 5 pts. _____
6. What is the PI's average budget revision?
Under budget by > 5% = 0 pt. Unknown or near 0% = 1 pt.
Increase > 5% of budget = 3 pt. Increase > 10% of budget = 5 pt. _____
7. How long are the PI's no-cost extension amendments for on average (excluding COVID extensions)?
<0 months = 0 pts. 0-6 months = 1 pt. >12 months = 3 pts 6-12 months = 2 pts

Total Risk Assessment Score _____

Risk Level (4-11 = Low) (12-25 = Medium) (26-32 = High) _____

Risk Assessment conducted by -

Title -

Date of Review -



Program Monitoring Plan

Department of Transportation
Multimodal Division
Public Transportation / Multimodal Planning

September 2023

Daniel Pallme, Interim Director

615-741-4031



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

FINANCE DIVISION
SUITE 800, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2261

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

Date: August 14, 2023

To: Daniel Pallme, Interim Director
TDOT Multimodal Transportation Resources Division

From: Carla Spann, Fiscal Director 1
TDOT Finance / External Audit

Re: Letter of Understanding for 2024 Grant/Subrecipient Monitoring Responsibilities
Between TDOT Division of Multimodal Transportation Resources and TDOT Fiscal Monitoring
Group

TDOT's grant/subrecipient monitoring activities involve oversight and coordination by TDOT program areas and TDOT Finance/Fiscal Monitoring Group. The purpose of this letter is to document the division of responsibilities in monitoring activities between TDOT Division of Multimodal Transportation Resources and TDOT Fiscal Monitoring Group for the monitoring year of 2024 (October 1, 2023 – September 30, 2024).

TDOT's approach will involve monitoring both state and federal funding in a similar manner. The division of monitoring responsibilities will follow the compliance requirement areas identified in 2 CFR part 200, Appendix XI (the Compliance Supplement). In addition, monitoring will include Title VI/Nondiscrimination Compliance as required per the State of Tennessee Central Procurement Office Policy Number 2013-007.

For monitoring year 2024, the Fiscal Monitoring Group will issue a single department-wide report for each grantee/subrecipient monitored by the Fiscal Monitoring Group listing all grants/contracts that were monitored across all TDOT program areas.

In order to avoid duplication of efforts, the Fiscal Monitoring Group will not include testing in their work in the areas identified as being reviewed by the TDOT Division of Multimodal Transportation Resources. Our review work will only include observed documentation to the effect that TDOT Division of Multimodal Transportation Resources has performed the monitoring in the areas identified.

Compliance Requirement Areas

Activities Allowed or Unallowed – Monitored by TDOT Division of Multimodal Transportation Resources

The approving signature of the TDOT Division of Multimodal Transportation Resources employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has verified that all items are allowable under the contract and all applicable federal and state regulations related to the grant/contract.

Allowable Costs/Cost Principles – Monitored by TDOT Finance/Fiscal Monitoring Group

Cash Management – Monitored by TDOT Fiscal Monitoring Group

Wage Rate Requirements/Davis-Bacon Act – Monitored by TDOT Division of Multimodal Transportation Resources

Note: In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. However, TDOT will take the approach to monitor the Wage Rate Requirements/Davis Bacon Act as a separate compliance requirement area. This approach is being taken in order to ensure that there is no confusion in the division of responsibilities in monitoring activities.

This compliance requirement area will be applicable on certain construction projects. When this requirement is applicable, TDOT Division of Multimodal Transportation Resources will require the grantee/subrecipient to verify that pay rates are in compliance with prevailing local wage rates. In addition, the signature of the TDOT Division of Multimodal Transportation Resources employee on the request for payment will indicate that he/she has reviewed this compliance requirement area.

Eligibility – Monitored by TDOT Division of Multimodal Transportation Resources

This compliance requirement area is not always applicable. When applicable, the approving signature of the TDOT Division of Multimodal Transportation Resources employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area has been performed.

Equipment and Real Property Management – Monitored by TDOT Division of Multimodal Transportation Resources

This compliance area is not always applicable. When applicable, the TDOT Division of Multimodal Transportation Resources will monitor for compliance with applicable regulations and the TDOT State Management Plan. The signature of the TDOT Division of Multimodal Transportation Resources employee on the request for payment will indicate that he/she has reviewed this compliance requirement area.

Matching, Level of Effort, Earmarking – Monitored by TDOT Finance/Fiscal Monitoring Group

Period of Performance – Monitored by TDOT Finance/Fiscal Monitoring Group

Procurement and Suspension & Debarment – Monitored by TDOT Finance/Fiscal Monitoring Group

Program Income – Monitored by TDOT Finance/Fiscal Monitoring Group

Reporting – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Division of Multimodal Transportation Resources

The Fiscal Monitoring Group will monitor for compliance with financial reporting requirements required by contract language. The TDOT Division of Multimodal Transportation Resources will monitor for compliance with reporting requirements that are programmatic in nature and with any specific reporting requirements related to the Federal grant and/or program (including reporting requirements under 2 CFR 200.328).

Note: The Annual and Final Reports (required in most grant contract language) will be considered programmatic reports monitored by TDOT Multimodal Transportation Resources. TDOT Finance/Fiscal Monitoring Group will continue to monitor the Disbursement Reconciliation and Close Out Report (required in most grant contract language) as a financial reporting requirement required by contract language.

Special Tests and Provisions – Monitored by TDOT Division of Multimodal Transportation Resources

The approving signature of the TDOT Division of Multimodal Transportation Resources employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area has been performed.

Title VI/Nondiscrimination Compliance – Monitored by TDOT Division of Multimodal Transportation Resources and TDOT Civil Rights Office

The TDOT Division of Multimodal Transportation Resources monitors for compliance with Title VI/Nondiscrimination. In addition, TDOT Division of Multimodal Transportation Resources will work with the TDOT Civil Rights Office to monitor Title VI/Nondiscrimination if needed to ensure monitoring related to this compliance requirement. The approving signature of the TDOT Division of Transportation Resources employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

If we have stated the procedures and documentation processes correctly, and you are willing to accept our assertions on your behalf in a single department-wide audit report, please sign below.

Thank you,



Carla Spann
External Audit Fiscal Director



Daniel Pallme
Interim Director of Division Multimodal Transportation Resources

The Multimodal Division is made up of Multimodal Planning (DMTR/MMPlanning) and the Office of Public Transportation (DMTR/OPT), which includes the Office of Mobility and Accessible Transportation. The information below is reflective of the processes of DMTR/OPT and DMTR/MMPlanning only.

Grant Monitoring Procedures

Monitoring Guides and Notification Packages

The DMTR/OPT has two monitoring guides and accompanying notification packages. These monitoring guides are used to conduct desk and on-site reviews of grantees/subrecipients.

- TDOT Subrecipient Compliance Review Field Guide – Section 5310, 5311, 5316, 5317, and 5339 (**ATTACHMENT A**)
 - TDOT Subrecipient Compliance Review Notification Package (**ATTACHMENT B**)
- TDOT 5310 Compliance Review Field Guide – Section 5310 Nonprofit Agencies and Senior Center Local Governmental Organizations (**ATTACHMENT C**)
 - TDOT 5310 Compliance Review Notification Package (**ATTACHMENT D**)

The TDOT Subrecipient Compliance Review Field Guide and TDOT Subrecipient Compliance Review Notification Package (Sections 5310, 5311, 5316, 5317, and 5339) are used for monitoring rural transit agencies (the nine rural human resource regional transit agencies and the two tourist transit agencies) that receive Section 5310, 5311, 5316, 5317, and 5339 funding. This monitoring guide was revised in 2023 to reflect the latest regulations. TDOT/OPT performs all monitoring activities for rural regional transit agencies/tourist transit agencies with the assistance of consultants.

The TDOT 5310 Compliance Review Field Guide and TDOT 5310 Compliance Review Notification Package – Section 5310 Nonprofit Agencies and Senior Center Local Governmental Organizations are used for monitoring entities that receive Section 5310 capital assistance only (approximately 77 subrecipients statewide). This monitoring guide was revised in 2023 to reflect the latest

regulations. TDOT/OPT performs all monitoring activities for Section 5310 only subrecipients in-house, without the assistance of consultants. Section 5310 only subrecipients are monitored for as long as 5310 capital assets are in service.

In addition to the monitoring activities included in the monitoring guides, Multimodal has other monitoring activities that include the following:

- Progress reporting
- Triannual conference calls
- Quarterly discrimination complaint reporting
- Asset management processes
- Invoice review processes
- Certification processes
- Inspections for vehicles, equipment, and real property
- Other activities as named in the State Management Plan located at [Microsoft Word - TN SMP 202107 Final.docx](#)

Staff and Organization

The DMTR/OPT has eighteen positions, all eighteen currently filled, that have responsibilities involved in the monitoring function. The DMTR/MMPlanning Office has five positions, four currently filled, that have responsibilities involved in the monitoring function.

In DMTR/OPT, a Manager 2 oversees the work of the Compliance Oversight section and a Manager 1 oversees the work of the Grants Administration section and the Office of Mobility and Accessible Transportation. The Manager 2's responsibilities in the Compliance Oversight section equal 0.9 FTEs dedicated to monitoring activities. The Manager 1's responsibilities in the Grants Administration section equal 0.1 FTEs dedicated to monitoring activities.

Compliance Oversight

- Transportation Manager 2 (1 position, 1 filled 1 @ 0.9 FTE = 0.9 FTEs)

Grants Administration

- Transportation Manager 1 (1 position, 1 filled, 1 @ 0.1 FTE = 0.1 FTEs)

In the Transit Compliance Oversight section, the Transit Supervisor's responsibilities equals 0.9 FTEs dedicated to monitoring activities and each Transportation Program Monitor's responsibilities equals 0.75 FTEs dedicated to monitoring activities.

Compliance Oversight

- Transportation Program Supervisor (1 position, 1 filled, 1 @ 0.9 FTE = 0.9 FTEs)
- Transportation Program Monitor (6 positions, 6 filled, 6 @ 0.75 FTE = 4.5 FTEs)

In the Transit Grants Administration section, the Transit Supervisors' (this includes the Mobility and Accessible Transportation Office) responsibilities equal 0.1 FTEs dedicated to monitoring activities and each Transportation Program Monitor's responsibilities equal 0.25 FTEs dedicated to monitoring activities.

Grants Administration

- Transportation Program Supervisor (2 positions, 2 filled, 2 @ 0.1 FTE = 0.2 FTEs)
- Transportation Program Monitor (7 positions, 7 filled, 7 @ 0.25 FTE = 1.75 FTEs)

The DMTR/MMPlanning has five positions and all five positions have monitoring activities.

Planning

- Civil Engineer Manager 2 (1 position with monitoring responsibilities, 0 filled, 0 @ 0.25 FTE = 0 FTEs)
- Multimodal Planning (4 positions with monitoring responsibilities, 4 filled, 4 @ 0.1 FTE = 0.4 FTEs)

Total FTEs dedicated to monitoring responsibilities = 8.75 FTEs

Currently with eighteen employees in the DMRT/OPT and four employees in MMPlanning resulting in 8.75 FTEs dedicated to the monitoring function.

Program Descriptions

Section 5303 (Metropolitan Planning) and Section 5304 (Statewide Planning) – The Federal Transit Administration (FTA) program provides funds to Metropolitan Planning Organizations (MPOs) and State DOTs to promote the safe and efficient management, operation, and development of transportation systems that serve the mobility needs and foster economic development within and between States and urbanized areas, while minimizing transportation related fuel consumption and air pollution through metropolitan and statewide transportation planning processes; and encourage the continued improvement and evolution of the metropolitan and statewide transportation planning processes by metropolitan planning organizations, State departments of transportation, and public transit operators.

Section 5307 (Urbanized Area Grants) – The FTA program provides funds to urbanized areas with populations of more than 50,000 for transit operating and capital assistance and for transportation-related planning. For areas under 200,000 in population, funds are allocated based on a two-tiered formula, first on UZA and then by Operator. Parameters used in the formula are both demographic and performance factors. For areas over 200,000 in population, funds are apportioned based on amounts published in the federal register.

Section 5310 (Enhanced Mobility of Seniors and Individuals with Disabilities Grant) – The FTA program provides transit capital assistance, through the state and large urban areas, to private non-profit organizations and public bodies that provide specialized transportation services to elderly and/or disabled persons.

Section 5311 (Non-Urbanized “Rural Transportation” Area Grant) – The FTA program provides funds to each state for state administration, planning, and technical assistance and for transit capital, operating, and project administration assistance in areas with populations of less than 50,000.

State Operating Assistance Program (UROP) – The State program assists local governments in providing urban public transit throughout the state.

Section 5311(b)(3) (Rural Transit Assistance Program - RTAP) – The FTA program provides funding and a wide variety of technical assistance, training materials, and publications to rural transit professionals.

Section 5316 (Job Access Reverse Commute) – The FTA program provides funds to states and direct recipients for public, private, non-profit and private for-profit agencies to support transportation services to employment and employment related activities for welfare recipients and eligible low-income individuals. Original funding was provided to agencies through a competitive process. This program has now been absorbed into other programs and any residual funding is being dispersed to the agencies at the director's discretion in accordance with the state management plan.

Section 5317 (New Freedom Transportation) – The FTA program provides funds to states and direct recipients for public, private, non-profit and private for-profit agencies that are part of a locally developed, human services coordination plan for the purpose of providing transportation services that go beyond Americans With Disabilities requirements. Original funding was provided to agencies through a competitive process. This program has now been absorbed into other programs and any residual funding is being dispersed to the agencies at the director's discretion in accordance with the state management plan.

Section 5339(a) (Bus and Bus Related Equipment and Facilities Program) – The FTA program makes federal resources available to states and direct recipients to replace, rehabilitate and purchase buses and related equipment to construct bus-related facilities.

Critical Trips Program – A State program that provides operating assistance to public transit providers, to support demand response service in urban fringe areas of Tennessee not served by the primary 5307 urban transit agency.

IMPROVE Act Program – A competitive State program that provides capital assistance to public transit providers currently receiving FTA 5307 or 5311 program funds, to support public transportation services in Tennessee.

Congestion Mitigation and Air Quality Improvement Program (CMAQ) – CMAQ funds are one of the flexible legislatively specified funds that may be used either for transit or highway purposes. The FTA program has the objective of improving the Nation’s air quality and managing traffic congestion. CMAQ projects and programs are often innovative solutions to common mobility problems and are driven by Clean Air Act mandates to attain national ambient air quality standards. Eligible activities under CMAQ include transit system capital expansion and improvements to increase ridership; travel demand management strategies and shared ride services; pedestrian and bicycle facilities and promotional activities that encourage bicycle commuting.

Multimodal Access Grant – The State provides competitive grant funding for projects to provide safe and accessible facilities for pedestrians, transit riders, and bicyclists along state routes. The program awarded three years of projects from 2014-2016, but went on hiatus in 2017. In 2018, funding for the grant program was included in the FY 2019-2021 TDOT Three-Year Work Plan. Multimodal Planning staff has awarded funds since then. Responsibilities for administration and oversight are split between DMTR/MMPlanning and TDOT’s Local Programs Office. Please note that for this checklist, Local Programs has included the Multimodal Access Grant in their risk assessment and their monitoring activities.

Pedestrian Road Safety Initiative (PRSI) – This spot safety program, created in 2017, is aimed at reducing fatal and severe pedestrian crashes by implementing countermeasures consistent with FHWA’s Pedestrian Safety Guide and Countermeasure Selection System (PEDSAFE) and FHWA’s Safe Transportation for Every Pedestrian (STEP) Initiative. This program is funded through the FHWA Highway Safety Improvement Program (HSIP). DMTR/MMPlanning is responsible for the project selection and planning. Once project planning is complete, TDOT’s Traffic Operations Division is responsible for project design and delivery.

Qualification for the program is based on a score and ranking produced by TDOT’s Pedestrian Safety Prioritization Tool. The Tool considers these factors:

- Crash frequency and severity in the past five (5) years

- Ease, comfort and safety of the existing environment and infrastructure as measured by traffic volume, speed limits, number of lanes, intersection control type, and presence of sidewalks and bicycle lanes
- Equity as measured by the density of environmental justice populations (factors include age below 18 or over 64, racial minorities, low vehicle ownership, poverty, less than high school diploma, low English proficiency, persons with disabilities)
- Pedestrian demand estimate based on population and employment density, active commuters, points of interest that generate pedestrian trips, land use, and access to transit.

Curb Ramp Program – Before asphalt resurfacings, all existing concrete curb ramps within resurfacing project limits are assessed for ADA/PROWAG compliance. Those curb ramps that are not in compliance are identified, surveyed, and designed with no-plans documents to upgrade concrete to ADA/PROWAG standards (appropriate slope, detectable warning mats, etc.) before asphalt resurfacing. Curb ramps that have issues that would require more complicated design or coordination such as ROW acquisition, drainage issues, or utility coordination are pulled from this program and noted for more in-depth upgrades in a later project.

Risk Determination

Oversight of the Multimodal Access Grant is shared between DMTR/MMPlanning and TDOT's Local Programs Office. Risk levels for the Multimodal Access Grant are established by Local Programs.

Oversight of CMAQ, PRSI, and the Curb Ramp Program are between DMTR/MMPlanning, TDOT's Traffic Operations Division/Signal and Lighting Office, STID, and TDOT's Regional Design and Development Teams. Risk levels are determined based on project scope, budget, and schedule.

DMTR receives a risk level score from all rural 5311 Program subrecipients.

DMTR requires each recipient and subrecipient that receives funds (not applicable to Multimodal Access Grant funds) to complete a risk self-assessment on an annual basis which gives a resulting numerical risk rating score. DMTR collects all risk self-assessments, with their scores, and loads copies of the forms into the transit grant compliance tracker. The risk rating score, along with other data, will be used to determine the appropriate risks, frequency, and timing of on-site monitoring. Other data considerations may include the number and severity of findings identified by TDOT External Audit, the Tennessee Comptroller of the Treasury, single audits, and other compliance reviews performed by DMTR/OPT.

A copy of the risk assessment form that is used is attached (**ATTACHMENTS E & F**).

Note – The DMTR/OPT does not require a self-risk assessment for Section 5310 only subrecipients. These subrecipients receive funding in the form of a capital purchased vehicle. DMTR/OPT handles the procurement of the vehicles on behalf of the subrecipients. DMTR/OPT determines risks and frequency of monitoring for Section 5310 only subrecipients based upon vehicle inspection and maintenance records results as well as information reported on previous compliance reviews.

Monitoring Results

DMTR/MMPlanning monitored the progress of 3 programs (MMAG, PRSI, and Curb Ramp Program) and 48 projects (17 MMAG Projects, 1 CMAQ project, 33 PRSI projects, and 12 Curb Ramp projects). DMTR/MMPlanning provides oversight of project selection and planning efforts. DMTR/MMPlanning is an active stakeholder of the design and delivery efforts.

The DMTR/OPT monitored thirty-eight FTA Section 5310 only subrecipients from September 1, 2022 – August 31, 2023. Three more subrecipients are scheduled to be reviewed by September 30, 2023.

The DMTR/OPT monitored five of the FTA Section 5311 subrecipients from September 1, 2022 – August 31, 2023.

The DMTR/OPT issues a report to each subrecipient monitored that includes advisory recommendations and compliance findings. Advisory recommendations are suggested actions only. Compliance findings require corrective action. All findings are categorized based on the topical categories as outlined in the corresponding monitoring field guides. A summary by topical monitoring area for monitoring conducted September 1, 2022 – August 31, 2023 for section 5311 subrecipients and section 5310 subrecipients appears below.

September 1, 2022 – August 31, 2023

Section 5311 Subrecipients			
Monitoring Topic	Monitoring Subtopic	Compliance Findings	Advisory Recommendation
ADA	Provision of Service Requirements	5	
Procurement	Written Policies/Procedures	1	1
Procurement	Procurement Methods	1	1
Financial Management and Capacity	Reimbursement	2	
Financial Management and Capacity	Written Policies/Procedures	1	
Maintenance	Vehicles and Equipment	2	3
Title VI	Title VI Program	1	1
Title VI	Title VI Complaints		1
EEO	EEO Program		1
Totals		13	8

Note: As of August 31, 2023, 10 of the compliance findings have been closed. The three remaining open findings are not due to be closed until September (2) and November (1).

September 1, 2022 – August 31, 2023

Section 5310 Subrecipients			
Monitoring Topic	Monitoring Subtopic	Compliance Findings	Advisory Recommendations
ADA	Provision of Service Requirements	1	2
ADA	Accessibility of Fleet		1
Civil Rights	EEO	5	3
Civil Rights	LEP	2	
Civil Rights	Title VI	29	2
Maintenance	Vehicles and Equipment	29	2
Maintenance	Property Management and Control	18	1
Maintenance	State Requirements	11	4
Program Management	Organizational Chart	5	
Program Management	Comptroller's Poster	1	
Miscellaneous Topics	Drug and Alcohol Program	1	
Totals		102	15

Note: Four agencies with virtual site visits from July 5, 2023 to August 31, 2023 have not yet been issued final reports and so are not reflected in the table above. As of August 31, 2023, 92 of the compliance findings have been closed. Nine of the ten remaining open findings are not yet due to be closed. Multimodal staff are providing technical assistance around the tenth finding to assist the agency's understanding of a reporting requirement.

The five Rural transit agencies' site visits in 2023 were scheduled and completed based on risk and staff scheduling. All five visits were done in-person at the respective agencies. This completed the two-year cycle covering all eleven agencies. The next cycle will be spread over three years and the number and order of agencies to come up first in that cycle will be based on risk.

Site visits for 5310 only subrecipients were scheduled and completed based on risk. Due to limited staff capacity these reviews were conducted virtually via Teams without an on-site presence.

Each subrecipient report outlines a timeframe to correct each compliance finding. The DMTR works to close findings based upon a review of corrective action that is submitted.

Corrective Action Plan

DMTR/MMPlanning provides corrective action throughout the project life cycle with reviews of monthly progress reports and invoices. If a corrective action is identified during these reviews, the subrecipients are informed immediately.

The DMTR/OPT corrective action plan process is described in the State Management Plan (available at [Microsoft Word - TN SMP 202107 Final.docx](#)) and within the language of the notification packages. A summary appears below.

Draft Report

Within thirty days after a site visit for 5310 only subrecipients and thirty-six days for 5311 subrecipients, a draft compliance report is issued. The subrecipient has thirty days to review the draft report. During the review period the subrecipient may present additional information if the subrecipient disagrees with the draft report. The subrecipient may begin remedy of the findings. The timeframe for corrective action, however, begins with the issuance of the final report.

Final Report

Following receipt and review of the subrecipient's response to the draft report, a final report is issued. The report includes a timeframe for corrective action. Timeframes are determined based on complexity and severity of the findings. Timeframes noted in the report are per finding. Upon the issuance of the final report, the timeframe for corrective action begins.

Findings

The report may contain compliance findings and/or advisory recommendations. Compliance findings are actions that must be addressed by the subrecipient in order to be in compliance with Federal and/or State requirements. Advisory recommendations are suggested actions only.

Compliance findings are considered “open” until the subrecipient submits a corrective action plan to address each finding. Once a corrective action has been submitted, reviewed by DMTR/OPT staff (or reviewed by consultants assisting with the monitoring), and approved by DMTR/OPT, the finding is considered “closed.” DMTR/OPT staff track the closure of findings to ensure that all compliance findings are addressed with corrective actions.

Corrective Action Plans

Corrective action plans must include:

- A statement of whether the subrecipient agrees or disagrees with the finding(s)
- A detailed plan of how the subrecipient will correct the finding(s)

The subrecipient attaches any documents, forms, policy changes, reports, tools, timesheets, data collection forms, etc. to demonstrate that the finding(s) have been corrected.

Technical Assistance

DMTR/OPT provides technical assistance throughout the review process.

Technical assistance is provided:

- On-site during the review and while preliminary findings are being discussed during the exit conference;
- After the release of the draft report, assisting the subrecipient in understanding the nature of the finding(s);
- In the development of the subrecipient corrective action to the finding(s).

Technical assistance can be provided through the following methods:

- Assistance of DMTR/OPT staff via phone, e-mail, meetings, conferences, site visits, newsletters, etc.;

- Assistance from contracted on-call consultants;
- Rural Transportation Assistance Program (RTAP) funded through the Federal Transit Administration (FTA) to provide training and technical assistance to rural transit professionals;
- Urban Transit Assistance Program (UTAP) funded through the State to provide training and technical assistance to urban transit professionals. (The UTAP program is currently inactive but can be used in the future, if needed.)



Subrecipient Compliance Review Field Guide

2023

(Updated 2/2/23)

Agency Name

City, TN

Site Visit Date(s):
Month Days, Year

Contents

Overview	3
Program Management	4
Financial Management and Capacity	6
Maintenance	9
Transit Asset Management (TAM)	12
Procurement	14
Americans with Disabilities Act (ADA)	18
Disadvantaged Business Enterprise (DBE)	24
Equal Employment Opportunity (EEO)	25
Title VI	27
School Bus	30
Charter Bus	31
Drug and Alcohol Program	33
List of Review Attendees	35

Overview

This Field Guide document was developed to support the Tennessee Department of Transportation (TDOT) in exercising compliance oversight of its Rural Human Resource Agency/Development District and tourist locality subrecipients. Additional information regarding TDOT's subrecipient review process can be found in the Notification Letter package as emailed to each subrecipient approximately 30 days prior to the scheduled start of their site visit.

While this Field Guide was primarily developed for use by TDOT and its reviewing contractor (RLS & Associates, Inc.), it is also provided to each subrecipient in advance of the site visit to aid in their preparation.

The questions herein are phrased so an affirmative response (i.e., "yes") is generally an indicator of compliance, while a negative response (i.e., "no") is generally an indicator of non-compliance.

Following the subrecipient's upload of the requested desk review material, the Lead Reviewer will populate this Field Guide with preliminary comments and compliance observations. Any outstanding documentation, information, and/or specific questions that will require follow-up during the site visit should be noted.

Program Management

TDOT subrecipients must be able to implement FTA-funded projects in accordance with the grant application, FTA Master Agreement, State contracts, and all other applicable laws and regulations, using sound management practices.

Requested desk review documents:

- System brochures and/or rider guides
- Organization chart
- Agreements with lower-tier subrecipients, if any

Note that the desk review documents requested in connection with Program Management are intended to provide the review team with relevant context surrounding the subrecipient's transit program. The questions in this section are intended to be discussed during the site visit and do not necessarily correspond to a specific desk review document.

Question	Reviewer Comments
<i>Subtopic: Staffing and Training</i>	
1. Do the subrecipient's employees have the necessary training and ability to successfully perform their jobs? If so, does the subrecipient maintain a current record of each employee's training history and certifications?	
2. Does the subrecipient stay aware of and regularly participate in mandatory and elective training opportunities offered by TDOT and/or its partners?	
<i>Subtopic: Unresolved Review/Audit Findings</i>	
3. Has the subrecipient successfully resolved all deficiencies and findings stemming from previous oversight reviews, investigations, and/or audits?	
<i>Subtopic: Project Management</i>	
4. Has the subrecipient successfully delivered its FTA projects (e.g., construction of facilities, rolling stock purchases) according to scheduled milestones and without significant delays?	
<i>Subtopic: Lobbying</i>	
5. If the subrecipient conducted any lobbying activities, did it: <ul style="list-style-type: none">• ensure that only local funds were used to lobby for transit purposes?• file with TDOT the Standard Form-LLL, "Disclosure Form to Report Lobbying" and any necessary updates?	

<p><i>The use of Federal funds for lobbying is prohibited. If lobbying services for transit purposes are procured with non-Federal funds, the subrecipient is required to submit the disclosure form, OMB Standard Form LLL (Rev.7-97), to TDOT for forwarding to FTA.</i></p>	
<p>Subtopic: TDOT Required Postings</p>	
<p>6. Does the subrecipient display the following Comptroller’s statement in a prominent place, located near the passageway through which the public enters, as a sign at least eleven inches (11") in height and seventeen inches (17") in width?</p> <p><i>“Notice: this Agency is a recipient of taxpayer funding. If you observe an Agency director or employee engaging in any activity which you consider to be illegal, improper, or wasteful, please call the State Comptroller’s toll-free hotline: 1-800-232-5454.”</i></p>	
<p>7. Does the subrecipient display the following statement in all notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the subrecipient in relation to its TDOT grant award?</p> <p><i>“This project is funded under a grant contract with the State of Tennessee, Department of Transportation.”</i></p>	

Financial Management and Capacity

TDOT subrecipients must have financial policies and procedures; an organizational structure that defines, assigns and delegates fiduciary authority; and financial management systems in place to manage, match, and charge only allowable costs to the award. If applicable, the subrecipient must conduct Single Audits, as required by 2 CFR Part 200, and provide financial oversight of lower-tier subrecipients.

Requested desk review documents:

- Chart of accounts
- Financial management policies and procedures
- Indirect cost rate plan and approval letter, if applicable
- Most recent single audit report, if applicable

Question	Reviewer Comments
Subtopic: Single Audit	
1. If the subrecipient met the Single Audit threshold in its most recently completed fiscal year (expending \$750,000 or more in Federal awards), were there any Single Audit findings related to the use of FTA and/or TDOT funding? <i>See FTA Circular 5010.1E, Ch. VI, Section 8</i>	
Subtopic: Written Policies/Procedures	
2. Does the subrecipient have written financial policies and procedures? If so, do they address determining the allowability of costs as required by 2 CFR Part 200? <i>See 2 CFR 200.403 for a listing of factors affecting the allowability of costs</i>	
Subtopic: Accounting Practices	
3. Does the subrecipient have a chart of accounts that is sufficiently detailed to distinguish between capital, operating, and administrative expenses? <i>This requirement stems from 2 CFR 200.302(b)</i>	
4. Does the subrecipient regularly monitor actual expenses against its approved budget? <i>This requirement stems from 2 CFR 200.302(b)</i>	
Subtopic: Reimbursement	

5. Does the subrecipient submit reimbursement requests to TDOT in a timely manner and with the required supporting documentation?	
6. Does the subrecipient calculate the net project cost correctly (no more than ½ the operating expenses, after fare revenues are credited and ineligible costs deducted)? <i>See FTA Circular 9040.1G, Ch. III, Section 4; Also note that 5311 funding for both capital and operating expenses related to COVID-19 may be eligible as 100% Federal share</i>	
7. If the subrecipient seeks reimbursement of indirect costs under any Federal grant award, does the subrecipient either: a) charge the de minimis indirect cost rate of 10%, or b) have a current cost allocation plan or indirect cost rate approved by its cognizant agency? <i>See FTA Circular 5010.1E, Ch. VI, Section 6</i>	
8. If the subrecipient has any employees whose time is split between multiple programs, are personnel charges to grant awards based on actual, after-the-fact work activity (i.e., not based on estimates)?	
9. Does the subrecipient ensure that reimbursement for travel-related expenses is requested according to Tennessee’s Travel Regulations? (link) <i>Note that Tennessee’s reimbursement rates may differ from those set by the U.S. General Services Administration (GSA)</i>	
Subtopic: Financial Capacity	
10. Does the subrecipient have the financial capacity to: • match and manage FTA grant funds? • cover cost overruns and operating deficits through long-term, stable sources? <i>This question is intended to be discussed during the site visit</i>	

<p>11. Is the subrecipient's local match generated from eligible non-DOT sources?</p> <p><i>Eligible sources include Medicaid contract revenue, state or local appropriations, dedicated tax revenue, private donations, net income derived from advertising and/or concessions, and in-kind or contributed services; See 2 CFR 200.306</i></p>	
Subtopic: Documentation of Costs	
<p>12. Is the subrecipient maintaining adequate documentation of costs?</p> <p><i>While on-site, ask the subrecipient to provide a report for the most recent completed quarter in the current fiscal year that includes all non-personnel transactions recorded in the general ledger. From this list of transactions, select a sample and ask the subrecipient to produce the documentation maintained to support the transaction (e.g., purchase order/vendor invoice, check stub).</i></p>	
Subtopic: Cash Management	
<p>13. Does the subrecipient adequately ensure the timely deposit of cash receipts to prevent fraud or loss, as well as sufficient separation of functions to provide adequate checks and balances in the cash handling process?</p> <p><i>See FTA Circular 5010.1E, Ch. VI, Section 2</i></p>	
<p>14. If the subrecipient sells monthly passes, passes for multiple rides, or similar paper tickets:</p> <ul style="list-style-type: none"> • are they stored in a secure location to prevent theft or other misuse? • are they serialized to help track distribution and use? 	

Maintenance

TDOT subrecipients must keep FTA-funded vehicles, equipment, and facilities in good operating condition. Additionally, subrecipients must adequately maintain ADA accessibility features on all vehicles, equipment, and facilities; See FTA Circular 5010.1E, Ch. IV, Section 4(n)(4).

Requested desk review documents:

- Vehicle maintenance plan
- Blank pre-trip vehicle inspection form, if not part of maintenance plan
- Vehicle fleet roster
- Facility maintenance plan (if constructed or renovated with FTA/TDOT funding)

Question	Reviewer Comments
<i>Subtopic: Vehicles and Equipment</i>	
1. Does the subrecipient have a written maintenance plan for its FTA-funded vehicles? If so, does the maintenance plan include all required elements as evidenced by TDOT's maintenance plan review checklist?	
2. Does the subrecipient perform at least 80% of scheduled vehicle maintenance on-time as defined by its vehicle maintenance plan? If so, what process does the subrecipient use to track and monitor maintenance activity? <i>See FTA Circular 5010.1E, Ch. IV, Section 4(n)(4)</i>	
3. Does the subrecipient complete pre-trip inspection forms prior to placing a vehicle in service? If so: <ul style="list-style-type: none"> • are accessibility features inspected (e.g., wheelchair lifts/ramps)? • are vehicles found to have accessibility or safety-related defects immediately removed from service and repaired before returning to service? <i>This requirement stems from 49 CFR 37.163</i>	
4. Does the subrecipient perform the required annual inspection of each FTA/TDOT-funded vehicle? <i>Note that the annual inspection may be conducted by the subrecipient using TDOT's Basic Vehicle Inspection Sheet or by TennCare</i>	
5. If the subrecipient had any vehicles out of service for more than 30 days, did it notify	

TDOT by using the Out of Service Request Form?	
<p>6. Did inspection of a subrecipient vehicle used in revenue service show the following elements?</p> <p><input type="checkbox"/> Fire extinguisher with current tag</p> <p><input type="checkbox"/> Blood borne pathogen kit</p> <p><input type="checkbox"/> First aid kit</p> <p><input type="checkbox"/> Accessibility features in working order</p> <p><input type="checkbox"/> Tires having adequate tread</p> <p><i>Additionally, the reviewer should document any damage or significant wear to the interior and exterior of the vehicle(s)</i></p>	
Subtopic: Real Property	
<p>7. If the subrecipient has any FTA-funded facilities (including bus shelters):</p> <ul style="list-style-type: none"> • does it have a written maintenance plan detailing a system of periodic inspections of the facilities and facility-related equipment? • does the maintenance plan address specific mission critical and safety items? • does the subrecipient maintain adequate records detailing facility maintenance activity? <p><i>See FTA Circular 5010.1E, Ch. IV, Section 4(n)(4)</i></p>	
Subtopic: Incidental Use	
<p>8. If the subrecipient allows incidental use of any FTA-funded vehicles, equipment, or real property:</p> <ul style="list-style-type: none"> • does the incidental use NOT interfere with the intended use of the asset and the subrecipient's ability to maintain satisfactory continuing control? • does the subrecipient track and fully recapture all mileage and costs related to the incidental use? <p><i>See FTA Circular 5010.1E, Ch. IV, Section 4(e)(3)</i></p>	
Subtopic: Warranty	
<p>9. Has the subrecipient implemented a system for tracking warranty issues and actively pursuing warranty claims?</p>	

<p><i>See FTA Circular 5010.1E, Ch. IV, Section 4(n)(4)(c)</i></p>	
<p>Subtopic: Disposition</p>	
<p>10. If the subrecipient disposed of an asset acquired in whole or part using FTA or TDOT funding, did the subrecipient:</p> <ul style="list-style-type: none"> • obtain TDOT approval prior to the disposition of the asset? • return the proceeds of the disposition to FTA/TDOT if the asset had a market value of more than \$5,000 (per unit)? <p><i>See FTA Circular 5010.1E, Ch. IV, Section 4(o)</i></p>	
<p>Subtopic: Inventory</p>	
<p>11. Does the subrecipient maintain an inventory of all FTA/TDOT-funded assets? If so, does the inventory contain the following elements?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Description of the property <input type="checkbox"/> Serial or identification number <input type="checkbox"/> Title holder <input type="checkbox"/> Acquisition date and cost <input type="checkbox"/> Percentage of Federal participation <input type="checkbox"/> Grant source <input type="checkbox"/> Location <input type="checkbox"/> Use and condition <p><i>This requirement stems from 2 CFR 200.313(d)(1); See also FTA Circular 5010.1E, Ch. IV, Section 4(n)(1)</i></p>	

Transit Asset Management (TAM)

TDOT Section 5311 subrecipients are considered Tier II providers that must either participate in a group TAM plan or develop their own TAM plan.

Requested desk review documents:

- TAM plan (group or individual)

Question	Reviewer Comments
1. Does the subrecipient participate in a group TAM plan? <u>If YES, please identify the group plan sponsor and then skip to the next section (procurement). If NO, please continue through the remaining TAM questions.</u>	
2. If the subrecipient has opted to develop its own TAM plan, does it include the following required elements? <ul style="list-style-type: none">• an inventory for all assets used in the provision of public transportation and having an acquisition value over \$50,000, including those owned by third parties• a condition assessment of all assets in the recipient's asset inventory for which it has direct capital responsibility• an investment prioritization that ranks projects to improve or manage the state of good repair over the horizon period, includes all capital assets for which the recipient has direct capital responsibility (not just federally funded assets), and is at least at the asset class level• a description of analytical processes or decision-support tools to estimate capital investment needs over time and develop investment prioritization <p><i>This requirement stems from 49 CFR 625.25(b)</i></p>	
3. Has the subrecipient designated an Accountable Executive who is responsible for ensuring that a TAM plan is developed and implemented? <p><i>This requirement stems from 49 CFR 625.25(a)(3)</i></p>	

<p>4. Does the subrecipient set annual state of good repair performance targets for the following asset categories: equipment, rolling stock, infrastructure (rail providers only), and facilities?</p> <p><i>This requirement stems from 49 CFR 625.45</i></p>	
<p>5. Did the subrecipient make its TAM plan and related information available to TDOT?</p> <p><i>This requirement stems from 49 CFR 625.53</i></p>	

Procurement

TDOT subrecipients must maintain written procurement procedures which reflect applicable State and local laws and regulations, as well as conform to applicable Federal law and the standards identified in 2 CFR Part 200 and FTA Circular 4220.1F.

Please note that Circular 4220.1F has not been updated to reflect all current provisions of the Uniform Administrative Requirements, 2 CFR Part 200. Until an updated circular is issued, when there is a conflict between guidance contained in 4220.1F and the Uniform Administrative Requirements, the Uniform Administrative Requirements supersede Circular 4220.1F.

Requested desk review documents:

- Procurement policy
- Standards of conduct, if not part of procurement policy
- Protest procedures, if not part of procurement policy
- List of FTA-funded procurements since the last TDOT compliance review

Question	Reviewer Comments
Subtopic: Written Policies/Procedures	
1. Does the subrecipient have a procurement policies and procedures document that reflects the requirements of FTA Circular 4220.1F and 2 CFR 200? <i>Note that TDOT has developed a procurement policy checklist that can be used to confirm the required elements</i>	
2. Does the subrecipient maintain written standards of conduct for its representatives engaged in the selection, award, and administration of FTA-funded contracts? <i>This requirement stems from 2 CFR 200.318(c)</i>	
3. Does the subrecipient have and follow written procurement protest procedures? <i>This requirement stems from 2 CFR 200.318(k)</i>	
Subtopic: Procurement Methods	
4. If the subrecipient made any micro purchases (\$10,000 and below), did it document that the price was fair and reasonable as well as the basis for this determination (e.g., personal knowledge, current catalog or price list, commercial market advertisement)?	

<p><i>Note that subrecipients are free to maintain lower/more restrictive thresholds than those at the Federal level, which are reflected in this Field Guide</i></p>	
<p>5. If the subrecipient made any small purchases (more than \$10,000 to \$250,000), did it:</p> <ul style="list-style-type: none"> • obtain price quotations from an adequate number of qualified sources (i.e., at least two)? • maintain a written procurement history commensurate with the size and complexity of the purchase? • include the relevant FTA-required contract clauses? • ensure that contracts are awarded only to responsive and responsible contractors? 	
<p>6. If the subrecipient made any formal purchases (above \$250,000), did it:</p> <ul style="list-style-type: none"> • prepare an Independent Cost Estimate (ICE) prior to the receipt of bids or proposals? • issue a formal solicitation (typically involves purchase through use of sealed bids – IFBs – or competitive proposals – RFPs)? • conduct a cost or price analysis after the receipt of bids or proposals? • maintain a written procurement history that includes: the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price? • include the relevant FTA-required contract clauses in the solicitation and contract? • ensure that contracts are awarded only to responsive and responsible contractors? 	
<p>7. If the subrecipient made any sole source awards (i.e., items or services that are only available from a single source), did it develop a written sole source justification as well as a cost analysis to determine the reasonableness of the price?</p>	

<p><i>See FTA Circular 4220.1F Ch. VI, Section 3(i)(1)(b)</i></p>	
<p>8. If the subrecipient received only one response to a solicitation, did it make a written determination that competition was adequate (i.e., the reason for receiving a single response was out of the subrecipient's control) prior to making the award?</p> <p><i>This should include a review of the solicitation for undue restrictiveness as well as a survey of potential sources that chose not to submit a bid or proposal; See FTA Circular 4220.1F Ch. VI, Section 3(i)(1)(b)(2)</i></p>	
<p>9. If the subrecipient participated in any joint procurements, was it a situation in which the subrecipient partnered with another purchaser from the outset to use a single solicitation and enter into a single contract?</p> <p><i>Unlike state contracts, a joint procurement cannot be conducted for the purpose of accommodating additional purchasers that subsequently choose to participate in the contract; See FTA Circular 4220.1F Ch. V, Section 3</i></p>	
<p>10. If the subrecipient participated in any "piggyback" procurements, was it a situation in which the subrecipient was assigned unneeded contract rights or options stemming from another purchaser inadvertently acquiring excess due to changed circumstances or honest mistakes?</p>	
<p><i>Subtopic: Rolling Stock</i></p>	
<p>11. Did the subrecipient purchase any rolling stock with FTA/TDOT money during the past three years? <u>If YES, please continue through the remaining procurement questions. If NO, you may skip to the next section (ADA).</u></p>	
<p>12. If the subrecipient conducted a stand-alone procurement (i.e., not part of a state contract or joint/cooperative procurement) for fewer than five buses in FY 2022 or later, did it prepare a written justification for not using an authorized "innovative procurement tool?"</p>	

<p><i>49 USC 5339 requires FTA recipients and subrecipients to use the innovative procurement tools authorized under section 3019 of the FAST Act to the extent practicable</i></p>	
<p>13. Does the subrecipient maintain the required pre-award and post-delivery certifications in connection with each rolling stock purchase?</p> <p><i>Two certifications are required at the pre-award stage (Buy America and Purchaser's Requirements) and three certifications are required at the post-delivery stage (Buy America, Purchaser's Requirements, and Federal Motor Vehicle Safety Standards). Note that rolling stock procurements of \$150,000 or less are not subject to Buy America requirements but they must still comply with the pre-award and post-delivery Purchaser's Requirements and FMVSS audits; See 49 CFR Part 663</i></p>	
<p>14. Did the subrecipient receive or obtain a copy of the Altoona Bus Testing Report before final acceptance of the vehicle(s)?</p> <p><i>This requirement stems from 49 CFR 665.7</i></p>	

Americans with Disabilities Act (ADA)

Titles II and III of the Americans with Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

Requested desk review documents:

- ADA-related service and operating policies
- ADA complaint process and form
- Complementary paratransit application, if applicable

Question	Reviewer Comments
Subtopic: ADA-Related Complaints	
<p>1. Does the subrecipient have a process for addressing ADA complaints that incorporates due process standards and provides for prompt and equitable resolution? If so, does the subrecipient advertise the process for filing an ADA-related complaint through means such as its website and rider guides?</p> <p><i>The requirements for ADA-related complaints are found at 49 CFR 37.17, and call for the subrecipient to publicize the name or title, address, telephone number, and email of an employee designated to coordinate ADA compliance. It should be noted that subrecipients can use the same process for accepting and investigating ADA and Title VI complaints by having one discrimination complaint form that covers both ADA and Title VI. The form, however, must clearly identify and distinguish the two statutes.</i></p>	
<p>2. Does the subrecipient retain ADA-related complaints for at least one year and a summary of all ADA-related complaints for at least five years?</p> <p><i>The record retention requirements for ADA complaints are found at 49 CFR 27.121(b)</i></p>	
<p>3. Has the subrecipient received any ADA-related complaints since the previous compliance review? If so, did the subrecipient inform TDOT of the complaint(s)?</p>	
Subtopic: Provision of Service Requirements	

<p>4. Does the subrecipient make reasonable modifications in policies, practices, or procedures when necessary to avoid discrimination on the basis of disability or to provide program accessibility to their services? If so, does the subrecipient advertise the availability of reasonable modifications through means such as its website and rider guides?</p> <p><i>U.S. DOT ADA regulations require the subrecipient to establish a process wherein the public may request reasonable modifications when necessary to avoid discrimination on the basis of disability, unless making such modifications would fundamentally alter the nature of the service or create a direct threat to the health or safety of others. The requirements for reasonable modifications are found at 49 CFR 37.169</i></p>	
<p>5. Does the subrecipient make public information and communications concerning transportation services available in accessible formats, upon request? If so, does the subrecipient advertise the availability of information in accessible formats through means such as its website and rider guides?</p> <p><i>The requirements for accessible formats are found at 49 CFR 37.167(f)</i></p>	
<p>6. Does the subrecipient permit service animals to accompany passengers with disabilities aboard vehicles and in facilities?</p> <p><i>49 CFR 37.3 defines service animal as any guide dog, signal dog, or other animal individually trained to work or perform tasks for an individual with a disability</i></p>	
<p>7. Does the subrecipient provide service to persons using respirators, concentrators, and/or portable oxygen?</p> <p><i>This requirement stems from 49 CFR 37.167(h)</i></p>	
<p>8. If the subrecipient has a policy governing the denial of transportation services due to rider conduct, does the policy hold that:</p>	

<ul style="list-style-type: none"> • refusal of service may occur only in situations where a rider engages in violent, seriously disruptive, or illegal conduct; or represents a direct threat to the health or safety of others? • refusal of service to an individual with disabilities shall not occur solely because the individual's disability results in involuntary behavior that may offend, annoy, or inconvenience others? <p><i>The requirements surrounding denial of service are found at 49 CFR 37.5(h)</i></p>	
<p>9. If the subrecipient provides demand response service and has a process to suspend riders who establish a pattern or practice of missing scheduled trips (i.e., a "no-show" policy):</p> <ul style="list-style-type: none"> • does the standard for establishing a pattern or practice of missed trips consider the frequency of rides and no-shows (as opposed to a simple number threshold)? • are suspensions for a reasonable period of time? <i>A reasonable suspension for a first instance of a pattern or practice of no-shows might be a few days to a week, while subsequent offenses may justify longer suspensions. FTA generally considers suspensions longer than 30 days to be excessive.</i> <p><i>The requirements for "no-show" suspension of service are associated with complementary paratransit and can be found at 49 CFR 37.125(h); It should be noted that many organizations providing demand response only also maintain no-show policies</i></p>	
<p>10. If the subrecipient provides demand response service, does it either:</p> <ol style="list-style-type: none"> a) provide the service with a 100% accessible vehicle fleet, or b) provide a level of service to persons with disabilities that is equivalent to the level of service it provides to persons without disabilities? 	

<p><i>Service equivalency is determined by the following characteristics: response time, fares, geographic area of service, hours and days of service, restrictions or priorities based on trip purpose, availability of information and reservations capability, and any constraints on capacity or service availability; See 49 CFR 37.77(c)</i></p>	
<p><i>Subtopic: Complementary Paratransit</i></p>	
<p>11. Does the subrecipient provide fixed route service? <u>If YES, please proceed to the next question. If NO, please mark the remaining ADA questions as N/A and proceed to the next section (DBE).</u></p>	
<p>12. Does the subrecipient permit the general public to initiate route deviations as an alternative to providing ADA complementary paratransit service? <u>If YES, please mark the remaining ADA questions as N/A and proceed to the next section (DBE). If NO, please proceed to the next question.</u></p>	
<p>13. Does the subrecipient's paratransit eligibility determination process meet the following ADA requirements?</p> <ul style="list-style-type: none"> • If an eligibility decision is not made within 21 days of receipt of a complete application, is presumptive eligibility granted until a decision is made? <i>(See 49 CFR 37.125(c))</i> • Does the subrecipient provide persons who are denied eligibility or given conditional or temporary eligibility a written notice with specific reasons for the decision? <i>(See 49 CFR 37.125(d))</i> • Are applicants notified of the right to an appeal, including: being given at least 60 days to file, an opportunity to be heard, separation of functions, and a written notification of the appeal decision and rationale? <i>(See 49 CFR 37.125(g))</i> • Does the subrecipient provide paratransit service to out-of-town visitors for at least 21 days within a 365-day period when the visitor either (1) presents documentation from their home jurisdiction indicating that they are eligible, or (2) has an apparent disability 	

or documentation of the disability? (See 49 CFR 37.127)	
<p>14. Does the subrecipient ensure origin-to-destination service is provided when necessary?</p> <p><i>Per 49 CFR 37.129(a), ADA complementary paratransit must be “origin-to-destination” service. The basic mode of service can be designated as either door-to-door or curb-to-curb. If the subrecipient’s service is curb-to-curb, it must provide assistance from the vehicle to the first doorway for customers who need additional assistance to complete the trip</i></p>	
<p>15. Does the subrecipient provide paratransit service within a ¾-mile radius of all fixed routes?</p> <p><i>The service area requirements for ADA paratransit can be found at 49 CFR 37.131(a).</i></p>	
<p>16. Does the subrecipient ensure that the fare charged to ADA paratransit riders does not exceed twice the fare that would be charged for a similar trip on the fixed route system?</p> <p><i>The fare requirements for ADA paratransit can be found at 49 CFR 37.131(c)</i></p>	
<p>17. Is ADA paratransit service provided to at least one other individual accompanying an eligible passenger? If the eligible passenger travels with a personal care assistant (PCA), is service provided to at least one other individual in addition to the PCA?</p> <p><i>While companions may be charged the same fare as the eligible individual, PCAs may not be charged a fare; See 49 CFR 37.123(f)</i></p>	
<p>18. Does the subrecipient adequately monitor its ADA complementary paratransit service for capacity constraints, including:</p> <ul style="list-style-type: none"> • trip denials • missed trips (by the subrecipient) • on-time performance, and • excessively long trips? 	

<p><i>ADA paratransit capacity constraint requirements can be found at 49 CFR 37.131(f)</i></p>	
---	--

Disadvantaged Business Enterprise (DBE)

TDOT subrecipients must ensure nondiscrimination in the award and administration of FTA-funded contracts as well as create a level playing field on which DBEs can compete fairly for such contracts.

Requested desk review documents:

- None

Question	Reviewer Comments
<p>1. Does the subrecipient make good faith efforts in their procurement process to ensure DBEs have the maximum opportunity to compete for and perform contracts financed in whole or in part with FTA funds?</p> <p><i>Note: TDOT maintains a listing of certified DBE firms, which can be accessed here</i></p>	
<p>2. Does the subrecipient keep a running tally of actual DBE attainments (e.g., payments actually made to DBE firms) in all FTA-funded contracting activities, including micro purchases?</p> <p><i>This requirement stems from 49 CFR 26.37(c)</i></p>	
<p>3. Does the subrecipient have a process in place to ensure that DBE reports are submitted to TDOT in an accurate and timely manner?</p>	

Equal Employment Opportunity (EEO)

TDOT subrecipients must ensure that no person shall on the grounds of race, color, religion, national origin, sex, age or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program or activity receiving FTA funding.

Requested desk review documents:

- EEO program, if applicable

Question	Reviewer Comments
<p>1. If the subrecipient meets the following threshold requirements, did it develop and submit a <u>full</u> EEO program?</p> <ul style="list-style-type: none"> • Employs 100 or more transit-related employees, and • Requests or receives capital or operating assistance in excess of \$1 million in the previous Federal fiscal year, or requests or receives planning assistance in excess of \$250,000 in the previous Federal fiscal year <p><i>See FTA Circular 4704.1A Ch. 1.4</i></p>	
<p>2. If the recipient meets the following threshold requirements, did it prepare and maintain an <u>abbreviated</u> EEO program?</p> <ul style="list-style-type: none"> • Employs between 50-99 transit-related employees, and • Requests or receives capital or operating assistance in excess of \$1 million in the previous Federal fiscal year, or requests or receives planning assistance in excess of \$250,000 in the previous Federal fiscal year. <p><i>See FTA Circular 4704.1A Ch. 1.4</i></p>	
<p>3. If the subrecipient meets the EEO program threshold, does their program contain the following required elements?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Statement of policy (<i>see FTA Circular 4704.1A Ch. 2.2.1</i>) <input type="checkbox"/> Policy dissemination plan (<i>see FTA Circular 4704.1A Ch. 2.2.2</i>) <input type="checkbox"/> Designation of personnel responsibility (<i>see FTA Circular 4704.1A Ch. 2.2.3</i>) <input type="checkbox"/> Assessment of employment practices (<i>see FTA Circular 4704.1A Ch. 2.2.6</i>) 	

<ul style="list-style-type: none"> <input type="checkbox"/> Monitoring and reporting plan (<i>see FTA Circular 4704.1A Ch. 2.2.7</i>) <input type="checkbox"/> Utilization analysis (<u>full programs only</u>; <i>see FTA Circular 4704.1A Ch. 2.2.4</i>) <input type="checkbox"/> Goals and timetables (<u>full programs only</u>; <i>see FTA Circular 4704.1A Ch. 2.2.5</i>) 	
<p>4. Has the subrecipient posted the current EEO statement and pay transparency supplement in a conspicuous and accessible place in the workplace?</p> <p><i>Note: the current EEO posting is available at: https://www.eeoc.gov/poster; the pay transparency supplement can be accessed here. See also FTA Circular 4704.1A Ch. 2.2.2</i></p>	
<p>5. Are EEO statements (i.e., the subrecipient “is an equal employment opportunity employer”) included on job applications and employment notices/job postings?</p> <p><i>See FTA Circular 4704.1A Ch. 2.2.2</i></p>	

Title VI

TDOT subrecipients must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance (without regard to whether specific projects or services are federally funded). Additionally, the subrecipient must ensure that all transit services and related benefits are distributed in an equitable manner.

Requested desk review documents:

- Current Title VI program
- Title VI approval letter from TDOT Civil Rights Office

Question	Reviewer Comments
<i>Subtopic: Title VI Program</i>	
<p>1. Has the subrecipient developed a Title VI program? If so, was the Title VI program updated then re-approved by the subrecipient's governing board within the last three years?</p> <p><i>See FTA Circular 4702.1B, Ch. II, Section 5</i></p>	
<p>2. Does the subrecipient's Title VI program contain the following required elements?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Title VI notice to the public <input type="checkbox"/> Title VI complaint procedures and form <input type="checkbox"/> List of any transit-related Title VI investigations, complaints, and lawsuits <input type="checkbox"/> Public Participation Plan, including information about outreach methods to engage minority and limited English proficient (LEP) populations <input type="checkbox"/> Language Assistance Plan for providing language assistance to LEP language groups <input type="checkbox"/> A table depicting the membership of non-elected committees and councils, the membership of which is selected by the subrecipient, broken down by race <input type="checkbox"/> A Title VI equity analysis if the subrecipient has constructed a facility, such as a vehicle storage facility, maintenance facility, operation center, etc. <input type="checkbox"/> Service standards, including vehicle load for each mode, vehicle headway for each mode, on time performance for each mode, and service availability for each 	

<p>mode (for fixed route transit providers only)</p> <p><input type="checkbox"/> Service policies, including transit amenities for each mode, vehicle assignment for each mode (for fixed route transit providers)</p> <p><i>Note: these required elements are typically examined as part of TDOT's Title VI approval process</i></p>	
Subtopic: Title VI Complaints	
<p>3. Does the subrecipient have a Title VI complaint form as well as procedures for investigating and tracking Title VI complaints? If so, are the complaint form and procedures easily available through the subrecipient's website?</p> <p><i>See FTA Circular 4702.1B, Ch. III, Section 6, Requirement to Develop Title VI Complaint Procedures and Complaint Form</i></p>	
<p>4. Has the subrecipient received any Title VI complaints or lawsuits since the previous compliance review? If so, did the subrecipient inform TDOT?</p>	
Subtopic: Notice of Rights	
<p>5. Does the subrecipient notify the public of their rights under Title VI by posting a Title VI notice on its website and in public areas (e.g., stations, stops, on transit vehicles)?</p> <p><i>See FTA Circular 4702.1B, Ch. III, Section 5, Requirement to Notify Beneficiaries of Protection Under Title VI</i></p>	
Subtopic: Equity Analysis	
<p>6. Has the subrecipient constructed any new transit facilities during the past three years? If so, was a Title VI facility equity analysis completed prior to selection of the site? The Title VI equity analysis must include the following required elements:</p> <ul style="list-style-type: none"> • whether the location of the facility would result in a disparate impact on the basis of race, color, or national origin • outreach consistent with the Language Assistance Plan (LAP) and Public Participation Plan (PPP) to persons 	

<p>potentially impacted by the siting of facilities</p> <ul style="list-style-type: none"> • upon determination of a disparate impact, the Title VI equity analysis compared the equity impacts of various siting alternatives, implementing the least discriminatory alternative <p><i>See FTA Circular 4702.1B, Ch. III, Section 13, Determination of Site or Location of Facilities</i></p>	
---	--

School Bus

TDOT subrecipients are prohibited from providing exclusive school bus service in competition with private school bus operators, unless the service qualifies and is approved by the FTA Administrator under an allowable exemption as defined in 49 CFR Part 605.11.

Requested desk review documents:

- None

Question	Reviewer Comments
<p>1. If the subrecipient provides school bus service, is it either:</p> <p>a) open to the public and part of regularly scheduled service (i.e., “tripper” service), or</p> <p>b) approved by the FTA Administrator under an allowable exemption?</p> <p><i>49 CFR Part 605.11 defines the following exemptions for school bus service:</i></p> <ul style="list-style-type: none">• <i>the grant recipient operates a school system in its urban area and also operates a separate and exclusive school bus program for that school system; or</i>• <i>private school bus operators in the urban area are unable to provide adequate transportation, at a reasonable rate, and in conformance with applicable safety standards; or</i>• <i>the grant recipient is a state or local public body or agency thereof (or a direct predecessor in interest which has acquired the function of so transporting schoolchildren and personnel along with facilities to be used therefor) who was so engaged in school bus operations</i>	

Charter Bus

TDOT subrecipients are prohibited from using FTA-funded equipment and facilities to provide charter service that unfairly competes with private charter operators. TDOT subrecipients may operate charter only when the service meets a specified exception or exemption as defined in 49 CFR Part 604.

Requested desk review documents:

- Charter reports, if applicable

Question	Reviewer Comments
<p>1. If the subrecipient provides charter bus service using FTA financial assistance, is it done according to an authorized exemption or exception?</p> <p><i>49 CFR Part 604.2 defines the following <u>exemptions</u>, which are NOT considered charter service:</i></p> <ul style="list-style-type: none">• <i>Transportation of transit employees, contractors, and government officials for the purpose of conducting oversight functions</i>• <i>Service provided by private charter operators that receive FTA financial assistance</i>• <i>Transportation for emergency preparedness planning and operation</i>• <i>Transportation for FTA program purposes under Sections 5310, 5311, 5316, or 5317</i>• <i>Transportation in response to a formally declared emergency</i>• <i>Service provided by subrecipients in non-urbanized areas to and/or from transit training outside their geographic service area</i> <p><i>49 CFR Part 604.6-11 defines the following <u>exceptions</u>, which are considered charter service and have administrative, record-keeping, and reporting requirements:</i></p> <ul style="list-style-type: none">• <i>Transportation of government officials on official government business</i>• <i>Service to qualified human service organizations</i>• <i>Leasing FTA-funded equipment and drivers to registered charter providers</i>	

<ul style="list-style-type: none"> • <i>Service when no registered charter provider responds to notice from the subrecipient</i> • <i>Service consistent with an agreement with registered charter providers</i> • <i>Service based on a petition to the FTA Administrator</i> 	
---	--

Drug and Alcohol Program

TDOT subrecipients receiving Section 5311 funds that have safety-sensitive employees must have a drug and alcohol testing program in place for such employees. It should be noted that requirements stemming from the Drug-Free Workplace Act, which are separate from the drug and alcohol testing program, apply to direct recipients of FTA funds, but NOT subrecipients, contractors, or lessees.

Requested desk review documents:

- Drug and alcohol testing policy
- List of transit-related employees in safety-sensitive positions
- List of supervisors/individuals tasked with making reasonable suspicion determinations
- MIS reports for the past year

Question	Reviewer Comments
Subtopic: Written Policy	
<p>1. Does the subrecipient have a board-adopted drug and alcohol testing policy that is dated January 2018 or newer?</p> <p><i>Effective January 1, 2018, amendments to 49 CFR Part 40 required drug and alcohol policy revisions. Namely, policies must rename the drug category “opiates” as “opioids.”</i></p> <p><i>Also note that effective January 1, 2019, FTA changed its regulation for random testing at 49 CFR 655.45, which increased the minimum rate of random drug testing from 25% to 50% of covered employees. If the subrecipient’s policy references specific testing percentages, ensure that they reflect current requirements</i></p>	
Subtopic: Testing Procedures	
<p>2. Does the subrecipient have documentation to show they are receiving negative USDOT pre-employment drug test results for each individual prior to their performance of safety-sensitive functions?</p> <p><i>This requirement stems from 49 CFR 40.25</i></p>	
<p>3. Does the subrecipient request drug and alcohol testing records from employees’ prior USDOT covered employers (as applicable)?</p> <p><i>This requirement stems from 49 CFR 40.25</i></p>	
<p>4. Does the subrecipient provide the minimum required training for all covered employees and supervisors/officers?</p>	

<p><i>Covered employees must receive at least 60 minutes of training on the effects and consequences of prohibited drug use on personal health, safety, and the work environment, and on the signs and symptoms that may indicate prohibited drug use; See 49 CFR 655.14(a)</i></p> <p><i>Supervisors tasked with making reasonable suspicion determinations must receive at least 60 minutes of training on the physical, behavioral, and performance indicators of probable drug use; and the physical, behavioral, speech, and performance indicators of alcohol misuse; See 49 CFR 655.14(b)</i></p>	
<p>5. Does the subrecipient retain their USDOT drug and alcohol testing records in a secure location with controlled access?</p> <p><i>This requirement stems from 49 CFR 655.71</i></p>	
<p>6. Does the subrecipient ensure that annual Management Information System (MIS) reports are submitted via the Drug and Alcohol Management Information System (DAMIS) by March 15 of the following calendar year?</p> <p><i>This requirement stems from 49 CFR 655.72</i></p>	
<p>7. Does the subrecipient ensure that all medical review officers, substance abuse professionals, screening test technicians, breath alcohol technicians, and collectors in the drug and alcohol testing program have the required qualifications?</p> <p><i>See 49 CFR 40.121 (MROs), 49 CFR 40.281 (SAPs), 49 CFR 40.211 (STTs and BATs), and 49 CFR 40.33 (collectors)</i></p>	

List of Review Attendees

Name	Title/Organization	Phone Number	Email Address
*			

* Subrecipient's primary point of contact

** Lead Reviewer (contractor)



STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION
DIVISION OF MULTIMODAL TRANSPORTATION RESOURCES
SUITE 1200, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2781

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

Month Day, Year

Contact

Title

Agency

Address

City, TN Zip

Re: Subrecipient Compliance Review

Dear Contact,

The Tennessee Department of Transportation (TDOT) is required by the Federal Transit Administration (FTA) to ensure that recipients of FTA financial assistance comply with federal requirements. To meet this mandate, TDOT conducts periodic compliance reviews of its subrecipients. Additional objectives of the reviews are to ensure compliance with state requirements, identify and promote good practices, deliver technical assistance as needed, and spend in-person time with subrecipients.

This notification letter package contains an overview of TDOT's compliance review process, a subrecipient profile to be completed by your organization, a list of requested documents to be uploaded, and a proposed schedule for the site visit. We ask that your organization upload the applicable desk review documents by **Month Day, Year**. The site visit portion of your review is scheduled to occur from **Month Day** through **Month Day, Year**.

TDOT's Subrecipient Compliance Review Field Guide will be used to lead on-site conversations and ensure that all relevant topics are addressed. While this document was primarily developed for use by TDOT and its reviewing contractor, it is included (as a separate attachment) to support your organization in preparing for this review. If you have any questions regarding the review process or requested material, please contact your Lead Reviewer, Mr. Greg Harnett, at gharnett@rlsandassoc.com or 937-299-5007.

Thank you for your time and attention to this process. We look forward to a productive and successful review.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Mattes".

Julie Mattes
Transit Oversight Supervisor



STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION
DIVISION OF MULTIMODAL TRANSPORTATION RESOURCES
SUITE 1200, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2781

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

Division of Multimodal Transportation Resources

BILL LEE
GOVERNOR

TDOT SUBRECIPIENT REVIEW PROCESS

1. Subrecipient to Upload Desk Review Documents

Following receipt of this notification letter package, each subrecipient will be given **20 days** to upload the requested documents via the file transfer protocol (FTP) site of TDOT's reviewing contractor, RLS & Associates, Inc.

You can access RLS' FTP site by navigating to downloads.rlsandassoc.com, and entering the following login credentials:

Username: **unique username**

Password: **password**

The listing of requested desk review material appears as a table at the end of this document. Your timely submission of these items will enable the reviewer(s) to focus on providing technical assistance relating to potential compliance issues while on-site.

2. Site Visit

Each site visit will begin with an entrance conference, during which the objectives and scope of the review, stakeholder roles, and overall schedule will be discussed. It is anticipated that the site visit will be conducted in-person over two business days. A proposed site visit schedule is included in this notification letter package.

While on-site, the review team will use TDOT's Subrecipient Compliance Review Field Guide as a tool to lead conversations and ensure that all relevant compliance topics are addressed. While this document was primarily developed for use by TDOT and its reviewing contractor, it is included with this notification letter package (as a separate attachment) to support your organization in preparing for this review.

At the conclusion of each site visit, TDOT and RLS will hold an exit conference to discuss compliance observations, summarize the technical assistance provided, and outline subsequent steps in the review process. Written copies of the exit conference notes will be provided to the subrecipient's management as well as other stakeholders in attendance.

3. Draft Report

Within the 35 days following the site visit, TDOT will issue a draft version of your organization's compliance report. The report will be prepared according to a standardized format and include a discussion of each compliance finding, the relevant regulatory citations, the required corrective action, and the timeframe for remedy. Additionally, each report will contain a summary of all technical assistance delivered, along with electronic copies of all resources that were shared with the subrecipient. Further, the report may identify best practices surrounding any issues that do not rise to the level of a compliance deficiency, but represent potential areas for improvement.

Upon receiving the draft compliance report, your organization will have **30 days** to review the document and provide any comments to TDOT and RLS. During this period, the TDOT and RLS review team will remain available to answer questions about the findings and provide any

additional technical assistance needed to ensure your organization is well-equipped to successfully address deficiencies.

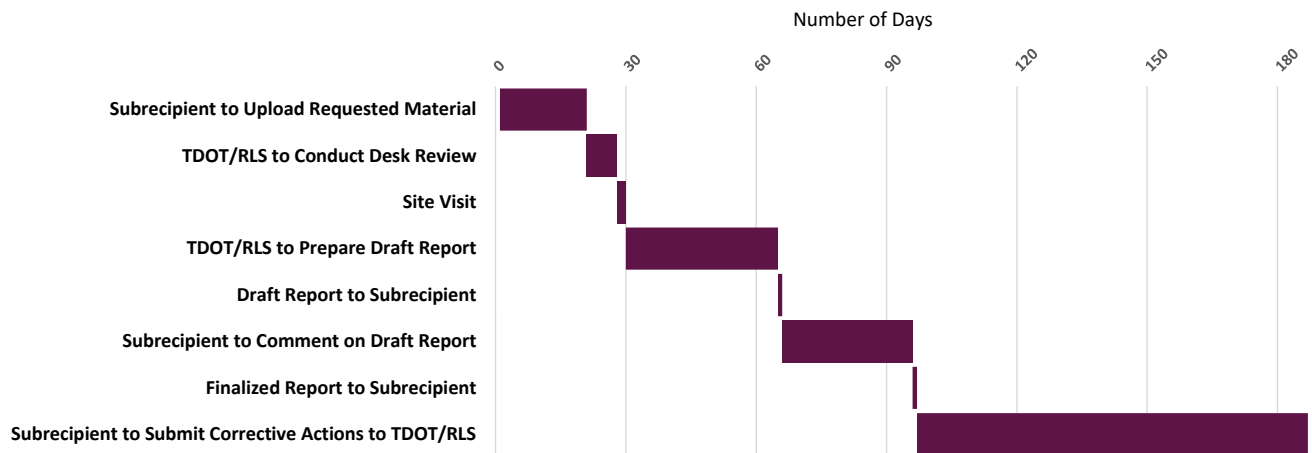
4. TDOT to Issue Final Report to Subrecipient

Following the receipt of any draft report comments your organization may have, TDOT will issue the final version of the compliance report. Any findings that your organization was able to remedy prior to the writing of the final report will be noted as closed. Any open findings will identify a specific timeframe for remedy.

5. Subrecipient to Submit Corrective Actions to TDOT/RLS

During the 90 days following receipt of the final report, your organization will be tasked with submitting any material needed to address compliance deficiencies to the TDOT and RLS review team for evaluation. If the corrective action is determined to cure the deficiency, then the finding will be closed. If additional corrective action is required, the review team will work with your organization to discuss barriers and solutions to closing the finding.

The following Gantt chart illustrates the timing of each review process step described above.



SUBRECIPIENT PROFILE (TO BE COMPLETED BY SUBRECIPIENT)

Please populate the tables below with information regarding your organization.

Organization Profile
Name of organization:
Type of organization (e.g., government entity, private non-profit etc.):
Website(s):
Primary point of contact (name, title, phone, and email):
Physical address for site visit (please note that a conference room-like setting will work best):

Operations Profile
Year transit service started:
List transit services provided (e.g., demand response, fixed route, complementary paratransit etc.):
List days and hours of service (differentiate by mode if applicable):
List contractors, if any (e.g., management, fixed route, paratransit, maintenance etc.):
List lower-tier subrecipients, if any:

Transit Facilities
Facility description (e.g., transit center, maintenance, administrative etc.):
Location (physical address):
Year completed:
Was this facility constructed or renovated with FTA funding (Yes/No)?

If your organization has multiple transit facilities, please duplicate the above table as needed

Project Activity
Provide a brief description of noteworthy projects completed since your last TDOT compliance review:
Provide a brief description of noteworthy projects that are on-going:
Provide a brief description of noteworthy projects that are planned for the next several years:

REQUESTED DESK REVIEW MATERIAL

Please upload the following materials to RLS' FTP site by **Month Day, Year** (approximately one week prior to the planned start of your site visit). If any requested items are not applicable to your organization, please provide a brief explanation in the "subrecipient comments" column.

Document	Subrecipient Comments
General	
Completed subrecipient profile and desk review checklist (both included as part of this notification letter)	
Program Management	
System brochures and/or rider guides	
Organization chart	
Agreements with lower-tier subrecipients, if any	
Financial Management and Capacity	
Chart of accounts	
Financial management policies and procedures	
Indirect cost rate plan and approval letter, if applicable	
Most recent single audit report, if applicable	
Maintenance	
Vehicle maintenance plan	
Blank pre-trip vehicle inspection form, if not part of maintenance plan	
Vehicle fleet roster	
Facility maintenance plan (if facility was constructed or renovated with FTA/TDOT funding)	
Transit Asset Management (TAM)	
TAM plan (group or individual)	
Procurement	
Procurement policy	
Standards of conduct, if not part of procurement policy	
Protest procedures, if not part of procurement policy	
List of FTA-funded procurements since the last TDOT compliance review	
Americans with Disabilities Act (ADA)	
ADA-related service and operating policies	
ADA complaint process and form	
Complementary paratransit application, if applicable	
Disadvantaged Business Enterprise (DBE)	
DBE program, if applicable	

Equal Employment Opportunity (EEO)	
EEO program, if applicable	
Title VI	
Current Title VI program	
Title VI approval letter from TDOT Civil Rights Office	
School and Charter Bus	
Charter reports, if applicable	
Drug and Alcohol Program	
Drug and alcohol testing policy	
List of transit-related employees in safety-sensitive positions	
List of supervisors/individuals tasked with making reasonable suspicion determinations	
MIS reports for the past year	

PROPOSED SITE VISIT SCHEDULE

The table below shows the review topics to be discussed as well as their approximate start times. As this effort is tailored to address the needs of your organization, please review the timing of the discussion topics and then provide any recommended revisions to the schedule to ensure that the appropriate personnel are available for discussions at their respective times.

Day 1: **Month Day, Year**

Start Time	Topic
9:00 am	Introductions and Entrance Conference
9:30	Program Management
10:00	Financial Management and Capacity
11:00	Drug and Alcohol Program
11:45	School and Charter Bus
12:00 pm	<i>Lunch</i>
1:00	Americans with Disabilities Act
2:00	Civil Rights (Disadvantaged Business Enterprise, Title VI, Equal Employment Opportunity)
3:00	Procurement (including review of FTA-funded procurement files)
4:30	Wrap up and debrief

Day 2: **Month Day, Year**

Start Time	Topic
9:00 am	Maintenance (including review of preventive maintenance records for selected vehicles)
10:30	Transit Asset Management
11:00	Technical Assistance
12:00 pm	<i>Lunch</i>
1:00	Technical Assistance (continued)
2:00	<i>Pre-exit Conference (TDOT and RLS only)</i>
3:30	Exit Conference



5310 Compliance Review Field Guide 2023

[Subrecipient Name]

[Subrecipient Location]

Virtual Site Visit: Date

Contents

Overview	3
Program Management	4
Selection and Eligibility	7
Maintenance	10
Americans with Disabilities Act (ADA)	25
Equal Employment Opportunity (EEO)	33
Title VI	36
School Bus	41
Charter Bus	42
Drug and Alcohol Program	44
List of Review Attendees.....	45

Overview

This Field Guide document was developed to support the Tennessee Department of Transportation (TDOT) in exercising compliance oversight of its 5310 subrecipients. It is to be used for subrecipients who receive only 5310 vehicle(s), not any other funding (operating, admin) from TDOT. Additional information regarding TDOT's subrecipient review process can be found in the Notification Letter package as emailed to each subrecipient approximately 40 days prior to the scheduled start of their site visit.

While this Field Guide was primarily developed for use by TDOT, it is also provided to each subrecipient in advance of the virtual site visit to aid in their preparation.

The questions herein are phrased so an affirmative response (i.e., "yes") is generally an indicator of compliance, while a negative response (i.e., "no") is generally an indicator of non-compliance.

Following the subrecipient's submission of the requested desk review material, the Lead Reviewer will populate this Field Guide with preliminary comments and compliance observations. Any outstanding documentation, information, and/or specific questions that will require follow-up during the site visit should be noted.

Reviewers: The questions in the first column are for the reviewer to ask themselves, not to ask to the subrecipient. Type up any follow up questions for the subrecipient in the Reviewer Comments column and highlight those follow up questions as necessary for use in the virtual site visit. **All requested desk review documents must be obtained and filed in the review folder.** (I.e., don't just ask if the document shows what is required, you must obtain the document and see for yourself.) **Make clear and thorough notes in the right-hand column – tie up loose ends and questions, note how and the date of when findings are closed.** If the FTA pulls your review as a spot check, they need to see that we answered each question with detail and followed up on any issues.

Program Management

TDOT subrecipients must be able to implement FTA-funded projects in accordance with the grant application, FTA Master Agreement, State contracts, and all other applicable laws and regulations, using sound management practices.

Requested desk review documents:

- Organization chart
- Photos of Comptroller's hotline number poster on bulletin board

Desk review documents TDOT has on file:

- 5310 application(s)
- 5310 contract(s)
- Grant Program of Projects (POP)
- Regional Coordination Plan

Question	Reviewer Comments
Subtopic: Organization Chart	
<p>1. Does the organization chart include names and positions for the following (must be on the chart, and have the name of the person in that position and who they report to):</p> <ul style="list-style-type: none">• Title VI Coordinator• ADA Coordinator• EEO Officer <p><i>Don't write in the names for them, they need to revise their chart if they're missing. This is a TDOT requirement from our Civil Rights Office.</i></p>	
Subtopic: Coordination Plan	
<p>2. During desk review, look at the POP for the applicable grant to see what the subrecipient's service area is, and which Coordination Plan applies to them, note both to the right.</p>	

<p>3. Look in the Coordinated Plan to see if the subrecipient is mentioned by name. If they are, note to the right. If they are not, note the goal or strategy from the plan that the subrecipient project meets. In this way, we will ensure the subrecipient 5310 projects are included in the coordination plan or meet at least one of the plan goals/strategies. (K:\MultiModal\MultiModal Contracts\Compliance\Coordination Plans)</p>	
<p>4. In the virtual site visit, make sure the subrecipient is aware of the plan, and make a note to send them a link (https://www.tn.gov/tdot/multimodal-transportation-resources/omat/5310-program.html) if they don't have one. Ask if they have ever received or given assistance from/to other agencies in their region, and if so describe the assistance.</p> <p><i>Note: SCTDD, SWHRA, SETHRA, and Johnson City all got new plans in 2022, so if the subrecipient falls under one of those regions, make sure they're aware of the new plan. If the Section 5310 subrecipient has not actively been involved in the coordination planning process, use this opportunity to explain the purpose of the plan and highly encourage the agency to participate in future planning updates. Remind the agency that they can ask the HRA/surrounding agencies for assistance - on a specific ride need that arises, or other technical/mechanical assistance. And may offer assistance to/coordinate with other agencies in the area as well.</i></p>	
<p>Subtopic: Lobbying</p>	
<p>5. During desk review, calculate whether or not the subrecipient's award was over \$100,000. If it was, note to the right.</p>	

<p>6. In virtual site visit, if the award was over \$100,000, ask if the subrecipient currently contracts with a lobbyist for Federal issues (regardless of where they pay them from). You may need to explain what a lobbyist is. If they do contract with a lobbyist, request a completed SF-LLL form from them.</p> <p><i>A lobbyist is a person who takes part in an organized attempt to influence legislators. See 49 CFR 20.110 and Appendices therein, and FTA website</i></p>	
<p><i>Subtopic: Comptroller's Poster</i></p>	
<p>7. Does the subrecipient have the Comptroller's hotline number posted in a publicly visible place?</p> <p><i>Section D.9 of most contracts requires posting of the Comptroller's hotline number. TDOT can provide a sample poster to the subrecipient.</i></p>	

Selection and Eligibility

States and subrecipients must be eligible under the specific requirements of the 5310 program and have the legal, financial, and technical capacity to carry out the proposed program of projects. This section is in part TDOT performing a compliance check on itself, to make sure vehicles were properly awarded.

Requested desk review documents:

- Organization Profile
- Operations Profile

Desk review documents TDOT has on file:

- 5310 application(s)
- Grant Program of Projects (POP)

Question	Reviewer Comments
<p>1. If the sources of funding that support vehicle operations are not listed in the Operations Profile, ask at the virtual site visit.</p> <p><i>Do not get bogged down with this question, determine to the extent possible.</i></p>	
<p>2. From looking at the Operations Profile, select which best describes this project:</p> <p><input type="checkbox"/> Alternatives to public transportation projects that assist seniors and individuals with disabilities with transportation.</p> <p><input type="checkbox"/> Public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable.</p>	

<p><i>Private non-profits fall under the first choice. Senior centers run by local governments typically fall under the second choice.</i></p>	
<p>3. Use this space during the desk review to note the agency's website, a description of who they are and what they do, and any other notes that don't fit elsewhere. (e.g., they moved so make sure report goes to new address) You'll use the description when you write the report.</p>	
<p>4. Make sure the Organization Profile and Operations Profile indicate what the 5310 vehicles are used for and who they serve, note to the right.</p> <p><i>This is to demonstrate that the vehicles are being used for appropriate program purposes.</i></p>	
<p>5. From the Organization Profile and/or award application, select the organizational status of the subrecipient:</p> <p><input type="checkbox"/> A private nonprofit organization</p> <p><input type="checkbox"/> A state or local governmental authority that (mark one):</p> <ul style="list-style-type: none"> <input type="radio"/> Is approved by a state to coordinate services for seniors and individuals with disabilities; OR <input type="radio"/> Certifies that there are no nonprofit organizations readily available in the area to provide the service. <p><i>Eligible subrecipients for Section 5310 activities include a state or local governmental authority, a private nonprofit organization, or an operator of public transportation that receives a Section 5310 grant indirectly through a recipient. For senior centers, look at who is doing the</i></p>	

<p><i>maintenance, who is paying insurance, who submits the title info – to tell if it’s connected to the local government or not. They can sometimes do kind of a shell game between nonprofit and government.</i></p>	
<p>6. If they have had a vehicle <u>delivered</u> in the past three years – look up the declared source of local match in the POP and note it to the right.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Check with OMAT to see if they have pending, unpaid local match. <input type="checkbox"/> Confirm on the virtual site visit that this is where the local match came from. <input type="checkbox"/> Confirm that the source is non-Federal. <p><i>Eligible sources include Medicaid contract revenue, state or local appropriations, dedicated tax revenue, private donations, net income derived from advertising and/or concessions, and in-kind or contributed services; See 2 CFR 200.306 Note: 2022 Awards will be fully Federally-funded vehicles (and may be delivered long after 2022).</i></p>	

Maintenance

TDOT subrecipients must keep FTA-funded vehicles in good operating condition. Additionally, subrecipients must adequately maintain ADA accessibility features on all vehicles, equipment, and facilities; See FTA Circular 5010.1E, Ch. IV, Section 4(n)(4).

Requested desk review documents:

- Vehicle maintenance plan
- Vehicle asset inventory
- Maintenance Logs for the past three years (on sampled vehicles)
- Oil change receipts for the past three consecutive oil changes for each sampled vehicle (Sample 10% of fleet/at least 3 vehicles)
- Transportation service policies (if any)
- Lease agreements on any 5310-funded vehicles leased to third parties (if any)
- Vehicle photos
- Insurance policy on 5310 vehicles

Desk review documents TDOT has on file:

- TDOT Asset Files
- Completed 5310 Quarterly Reporting Forms
- Completed Vehicle Inspection Forms
- Completed Vehicle Maintenance Logs (for all vehicles)
- Summary of reporting performance for the previous year(s)

Question	Reviewer Comments
<i>Subtopic: Vehicles and Equipment</i>	
1. Did the subrecipient provide a written maintenance plan for its 5310 vehicles? <ul style="list-style-type: none">• Does the maintenance plan include all required elements as evidenced by TDOT's maintenance plan review checklist?• If the plan is new but was not prepared just for the review, was it submitted to TDOT for approval when created and has it been approved by TDOT?	

<ul style="list-style-type: none"> • Does the plan indicate the mileage intervals and the types of maintenance actions/checks that are to occur at each interval? • Are the oil change intervals consistent with manufacturer's minimum maintenance requirements for all vehicles, including those under warranty? • Are there provisions to ensure that a vehicle's accessibility features (e.g., lifts, ramps, tie-downs) are maintained in good working order? <i>Confirm on the site visit that these are followed – ask an open-ended question about how they keep accessibility features in good working order.</i> <p><i>Per the State Management Plan, all 5310 subrecipients are required to submit a Preventative Maintenance Plan to TDOT. Check the PMP received against what TDOT currently has in the Compliance Tracker. If we already have what they sent on file, it is not more than three years old, and it is showing as approved in the tracker, no further action is necessary. If it is a newer plan than we have on file, it must be evaluated by the reviewing PM, corrections worked out with the agency, and then sent to the Asset Monitor for final approval and then uploaded to Compliance Tracker. Track all of that activity on the Review Schedule List. If the plan is older than three years, discuss at the site review if any updates are needed as far as fleet location and size, mileage intervals, and maintenance vendors. Minor updates to the plan for these items may be made by a signed and dated addendum to the existing plan.</i></p>	
<p>2. How are vehicle maintenance services performed (in-house, contractors, combination of in-house and contractors)? If a combination of methods is used, are there specific functions that are contracted out?</p>	

<p><i>This should be ascertained during the desk review by looking at the PMP. Note answers in the column to the right. If any doubts, can confirm at the site visit.</i></p>	
<p>3. What procedures and/or software does the subrecipient use to track all maintenance activities?</p> <p><i>This should be ascertained during the desk review by looking at the PMP. Note answers in the column to the right. Confirm at site visit.</i></p>	
<p>4. Does the subrecipient pursue any eligible warranty claims? What procedures does the subrecipient use to track its warranties and claims?</p> <p><i>This is more of an advisory question. Since we don't provide operating funds, we're not concerned with reimbursing for things that could be covered under warranty. However, it also goes to upkeep of the vehicle, so we want to ask and make sure the agency is pursuing warranty claims. If they are not, it would be an advisory recommendation at most.</i></p>	
<p>5. What is the subrecipient's planned schedule for oil changes (mileage interval)?</p> <p><i>Note the mileage interval listed in the PMP to the right and use it in the analysis described below for a sampling of vehicles.</i></p>	
<p>6. Looking at the last three years, does the subrecipient perform at least 80% of scheduled vehicle maintenance on-time as defined by its vehicle maintenance plan?</p> <p><i>See FTA Circular 5010.1E, Ch. IV, Section 4(n)(4) During desk review, reviewer takes information from the Maintenance Logs provided (and oil change receipts from the current year) and the mileage interval specified in the PMP and fills</i></p>	

<p><i>out the analysis spreadsheet to arrive at an on-time percentage for the past three years – dating back from the date of the site visit. Consider expanding the sample size as necessary (unusual circumstance on one of the vehicles; very close to 80%). If the percentage is less than 80%, discuss at the site review what steps the subrecipient takes to track and monitor maintenance, and how that can be improved – reminders, manager oversight, software, etc. This is one of the more common findings and must be remedied. Work with the subrecipient to come up with workable solutions. Also look at their historical comparison on all vehicles as posted in the 5310 channel in Teams, and if the two results don't seem to match up, discuss at the weekly meeting prior to the site visit to see if further investigation is necessary. With larger fleets, you will be picking the sample they need to submit, but you may happen to get an unrepresentative sample.</i></p>	
<p>7. Was the subrecipient able to provide oil change receipts for the last three consecutive oil changes on each sampled vehicle?</p> <ul style="list-style-type: none"> • Did the receipts match the information provided in the maintenance logs? <p><i>Oil change receipts must show VIN, mileage, date of service, and that an oil change was performed. If the subrecipient is unable to provide sufficient receipts, discuss with them how to better keep maintenance records – written procedures for how to file receipts, etc. If the receipts do not match the maintenance logs, discuss with subrecipient and ascertain which is correct.</i></p>	
<p>8. Does the subrecipient complete pre-trip inspection forms prior to placing a vehicle in service? If so:</p> <ul style="list-style-type: none"> • Are accessibility features inspected (e.g., wheelchair lifts/ramps)? 	

<ul style="list-style-type: none"> • Are vehicles found to have accessibility or safety-related defects immediately removed from service and repaired before returning to service? If so, how long are they typically out of service? • Are managers/maintenance directors notified of issues found, and how are repairs planned? • If a vehicle is taken out of service due to accessibility feature failure, is the subrecipient able to accommodate passengers with disabilities in some other way? (Describe how.) <p><i>This requirement stems from 49 CFR 37.161 Ascertain most of the information from the PMP and confirm other details at site visit. At minimum they must indicate in a log of some kind that the pre-trip inspection shown in the PMP is completed for each trip, even if they don't fill out a sheet each time. Best practice is to fill out a sheet. If the subrecipient does not have any spare vehicles to transport passengers and an accessibility feature is not working, they may keep the vehicle in service for up to five days, but must still make accommodation for passengers with disabilities, such as asking neighboring agencies for assistance. See Circular 4710.1 As for how long the vehicle is out of service before the defects are repaired, we understand that it may be longer than usual right now because of supply issues but as above talk about how they can accommodate people needing those features.</i></p>	
<p>9. Did the subrecipient provide photos showing the following:</p> <ul style="list-style-type: none"> • VIN (on dashboard) • Cleanliness of the vehicle's exterior • Tires and tread depth • Body damage (if any) • Undamaged exterior mirrors • Lift or ramp extended out (if any) 	

<ul style="list-style-type: none"> • Cleanliness of the vehicle's interior • Presence of safety equipment <ul style="list-style-type: none"> ○ Fire extinguisher with up-to-date tag or fully charged ○ Bloodborne Pathogen clean up kit with required items (paper towels, gloves, disinfectant spray or wipes, hand sanitizer, face masks, eye shield, bio hazard bag or sharps container) ○ First Aid Kit • Wheelchair securement hardware (if applicable) <ul style="list-style-type: none"> ○ Belts stowed properly and not left on the floor, and not frayed ○ Belt tracks are clean and free of dirt ○ No obstacles blocking wheelchair station • License Plate <p><i>Never ask subrecipient to reduce or delay client services to conduct vehicle inspections. If on site, only inspect vehicles the agency can make readily available without detriment to existing services. The purpose of the inspection is to ascertain if the agency is keeping the equipment clean and in good working order. The items required for the Bloodborne Pathogen kit come from the Occupational Safety and Health Administration (OSHA) standard 1910.1030 for bloodborne pathogens. If photos are incomplete/illegible, ask for more.</i></p>	
Subtopic: Incidental Use	
<p>10. If the subrecipient allows incidental use of any 5310 vehicles (in the past three years):</p> <ul style="list-style-type: none"> • Does the incidental use NOT interfere with the intended use of the vehicle and the subrecipient's ability to maintain satisfactory continuing control? 	

- Does the subrecipient track and fully recapture all mileage and time related to the incidental use?
- Does the subrecipient notify TDOT of the incidental use via TDOT's Incidental Use Form? (Ask them to provide sample or check with Asset Monitor.)
- Does the subrecipient use the vehicle for homebound meal delivery and if so do they ensure that such service does not interfere with transportation services and that mileage and time is tracked separately?
 - How do they go about it – with passengers (as an activity for clients) or just with meals and a driver?

See FTA Circular 5010.1E, Ch. IV, Section 4(e)(3). Reviewer may look over Quarterly Reports to ascertain some of this information, but should also go over at the site visit, to make sure all incidental use is being captured. Incidental use does not count toward the minimum useful life mileage. Incidental use to provide homebound meal delivery service is allowed and even encouraged as long as it does not interfere with transportation services and the mileage is properly tracked. Other incidental uses may include transporting board members to monthly meetings, picking up supplies, or the like, anything that is not directly providing transportation to elderly persons and individuals with disabilities – reviewer should give examples so the subrecipient understands what is being asked. TDOT is only concerned with the time and mileage for incidental use, as operating costs for these subrecipients are not charged to TDOT. TDOT has a form for incidental use that must be filled out (in FormsAndTemplates folder and on our website).

Subtopic: Property Management and Control

<p>11. If the subrecipient had any vehicles in the last three years that met any of the following conditions, did the subrecipient make proper notification to TDOT:</p> <ul style="list-style-type: none"> • Are no longer needed for transportation purposes • Have been transferred to another entity or program • Have been lost due to crash or other physical damage such as tornado or flood (suffered any casualty loss) <ul style="list-style-type: none"> ○ Result in an insurance settlement – if so what did the subrecipient do with the insurance proceeds? <p><i>Reviewer should ascertain part of this answer through desk review, by comparing TDOT and agency inventories, but should also ask during the site visit, to ensure their inventory information is accurate. Review fleet size and age and vehicle usage as reported on quarterly reporting and annual inspection forms. If they have vehicles unused that are still in good condition, discuss disposition or getting them back into use. Casualty loss is the total damage, destruction, and loss of property as a result of an event that is sudden, unexpected, or unusual. If insurance proceeds were received by the subrecipient, the subrecipient should have discussed with TDOT procedures for re-investing the proceeds in a replacement vehicle or returning funds as needed.</i></p>	
<p>12. If the subrecipient disposed of an asset acquired in whole or part using FTA or TDOT funding in the last three years, did the subrecipient:</p> <ul style="list-style-type: none"> • obtain TDOT approval prior to the disposition of the asset? • return the proper amount of proceeds of the disposition to FTA/TDOT if the asset had met its useful 	

<p>life and had a market value of more than \$5,000 (per unit)? *New requirement, see below*</p> <p><i>See FTA Circular 5010.1E, Ch. IV, Section 4(o) and 49 USC 5334(h)(4)(B). Under the new IIJA, recipient may retain only \$5,000 plus the percentage of its local share in the original award for the amount above \$5,000. They may not retain any federal share above \$5,000, even if they wanted to use it for transportation. To mitigate this new rule, the state will allow them to keep the state share as well. This is a change from prior practice and applies to vehicles sold after November 15, 2021. The \$5,000 rule does not apply to insurance proceeds on totaled vehicles – they can keep the proceeds and just need to put them back into transit accounts. Confirm with Asset Monitor that any disposals mentioned followed proper procedures. Example: Sale price of \$8,000. $\\$8,000 - \\$5,000 = \\$3,000$. Local and state share together = 20% 20% of \$3,000 = \$600 Subrecipient may keep \$5,600 and must return \$2,400</i></p>	
<p>13. In the past three years, has the subrecipient used any 5310 vehicles as loan collateral or had any liens put on them?</p> <p><i>Unlike the other questions, a yes answer here is an indication of noncompliance. This has been an issue in the past, so we want to ensure the subrecipient is not doing either of these things.</i></p>	
<p>14. Does the subrecipient maintain control over the 5310 vehicle(s) (i.e., does not loan them out or allow employees to take home)?</p> <p><i>May be able to answer in part from driver policies. Confirm at site review or outright ask if they didn't have any relevant policies.</i></p>	

<p>15. If the subrecipient has leased any 5310 vehicles to another entity in the last three years, do the leases meet the required elements?</p> <ul style="list-style-type: none"> • Is there a formal agreement between the parties? • Does the lease: <ul style="list-style-type: none"> ○ Specify TDOT interest in the vehicle? ○ Specify permissible/non-permissible incidental use of the vehicle? ○ Require lessee to perform vehicle maintenance in accordance with OEM recommendations? ○ Assign insurance responsibility and all appropriate hold-harmless/indemnification provisions? ○ Have a finite period of performance? ○ Have notification protocols in the event the vehicle is involved in an accident? ○ Outline reporting responsibilities? <p><i>If a vehicle has been leased, the lease should be provided for the desk review and the questions can be answered by reviewing the lease. The reviewer should also confirm during the site visit that all leases were provided or that no vehicles have been leased.</i></p>	
<p>16. Does the subrecipient carry adequate insurance coverage on all 5310 vehicles?</p> <ul style="list-style-type: none"> • Bodily injury or death of any one person in any one accident, occurrence, or act at a minimum of \$300,000 • Bodily injury or death of all persons in any one accident, occurrence, or act at a minimum of \$700,000 • Injury to or destruction of property of others in any one accident at a minimum of \$100,000 	

<p><i>Reviewer should obtain the full insurance policy from the subrecipient, not just insurance card, and ascertain the above from reviewing the policy.</i></p>	
<p>17. Did the subrecipient complete an Out of Service request form and submit it to TDOT for any vehicle out of service for more than 30 days in the past three years?</p> <ul style="list-style-type: none"> • If there was a vehicle out of service, did the subrecipient not count that time toward the useful life of the vehicle, and stop the depreciation calculation? <p><i>Reviewer should check with Asset Monitor or 5310 Monitor on any vehicles currently showing inactive on the agency's asset inventory to ensure they filled out the proper forms. Also check any notes the Asset Monitor has made in the asset files and the Deficient Reporting view in Teams to see if any vehicles are noted with 0 miles for an extended period of time – this is noted if there is not an OOS Request on file, so will need to be addressed on the site visit. Discuss pending issues with Asset Monitor and 5310 Monitor ahead of site visit. If vehicles are seldom used because they are backup vehicles, suggest that the agency rotate them into service at least 1 or 2 days a month, then they don't have to request OOS.</i></p> <p><i>If their approved Out of Service period has expired, the agency must submit a letter on agency letterhead to the Multimodal Director, cc'ing the Asset Monitor, requesting an extension and explaining the current condition of the vehicle and the steps that will be taken to put the vehicle back in service. If the Director approves (he may not), once the Asset Manager receives that written approval they will extend the OOS period. The Director can grant an open-ended extension (e.g., if the agency is actively pursuing a</i></p>	

<p><i>repair but it's not know when that can be completed due to factors outside their control), or can put a strict deadline, or a date(s) that the agency must check in to update our office.</i></p> <p><i>Reviewer should bring this up in the site visit regardless, to make sure the agency is aware and to ascertain if any vehicles in the past three years were out of service for any period of time. The time out of service does not count toward the minimum useful life of the vehicle, so we need to know even if the vehicle is now back in service</i></p>	
<p>18. Did the subrecipient provide an adequate inventory of all FTA/TDOT-funded assets?</p> <ul style="list-style-type: none"> • Does the inventory contain all of the following elements? AND • Does the inventory match TDOT's records? <ul style="list-style-type: none"> <input type="checkbox"/> Description of the property (make, model, model year) <input type="checkbox"/> Vehicle Identification Number (VIN) <input type="checkbox"/> Physical Title Holder (should be TDOT, as TDOT holds all physical titles until disposition, unless they are in the disposal process) <input type="checkbox"/> Name on Title (should be agency, unless they've sold it) <input type="checkbox"/> Acquisition date <input type="checkbox"/> Cost of the vehicle <input type="checkbox"/> Percentage of Federal participation in the vehicle cost <input type="checkbox"/> Grant source of funding for the vehicle (grant number) <input type="checkbox"/> Current location of the vehicle <input type="checkbox"/> Current use of the vehicle (Active, Backup, Reserve, Awaiting Disposition) <input type="checkbox"/> Current condition of the vehicle (Excellent, Good, Fair, Poor) <input type="checkbox"/> Disposition data (if applicable) including: <ul style="list-style-type: none"> ○ Date of disposal ○ Sale price of the vehicle 	

<p><i>This requirement stems from 2 CFR 200.313(d)(1); See also FTA Circular 5010.1E, Ch. IV, Section 4(n)(1)</i></p> <p><i>The subrecipient must maintain their own record of this – the reviewer may assist them with a partially filled in template, but the subrecipient must fill in the rest, such as location, use, and condition, and send back the completed inventory to the reviewer to show that they then have a complete record in their files. The subrecipient may use their capital asset information sheet to meet part of this requirement but must also keep a current record of the changeable information – title holder, location, condition, use (choices above), disposition. Notify Asset Monitor of any differences between agency inventory and TDOT's (e.g., location, condition, different vehicles).</i></p>	
<p>Subtopic: State Requirements</p>	
<p>19. Has the subrecipient provided the physical title and related documents for all 5310 vehicles to TDOT?</p> <p><i>Per the State Management Plan, TDOT holds the physical titles until the subrecipient requests permission to dispose of the vehicle. If the reviewer does not see the green title document in the asset files provided by the Asset Monitor, discuss with the Asset Monitor whether or not they still need to be obtained.</i></p>	
<p>20. Has the subrecipient submitted required Quarterly Status Reports for the past year?</p> <p><i>Per the State Management Plan, all 5310-only subrecipients are required to submit quarterly reports to TDOT, outlining mileage and trips and other compliance information. Reports are due on the 20th following the quarter end. Check the Asset Monitor's score sheet and the Deficient Reporting view in Teams to see if the subrecipient has been delinquent with reports. Still missing reports will show in</i></p>	

<p><i>Teams, but if you can't tell from that why a grade is below A or B, ask Asset Monitor or look in MultiTrax. Discuss potential findings and corrective actions with Asset Monitor and 5310 Program Monitor, who will have a sense of whether the agency is improving. It is important to make findings in this area when needed, so that subrecipients get back in compliance.</i></p>	
<p>21. Has the subrecipient submitted required annual Vehicle Inspections for all current 5310 vehicles?</p> <p><i>Per the State Management Plan, all 5310 subrecipients are required to submit a Basic Vehicle Inspection for each vehicle annually, in July. The inspection is a form the subrecipient fills out – they do not need to have a shop fill it out. If the current review is before July, check the score sheet and the Deficient Reporting view in Teams as described above to see if the subrecipient is missing reports. If the review is after July, check with the Asset Monitor or Oversight Supervisor to see if the subrecipient has submitted the current year's reports. As above, it is important to make findings in this area when needed.</i></p>	
<p>22. Has the subrecipient submitted required annual Maintenance Logs for all 5310 vehicles?</p> <p><i>Per the State Management Plan, all 5310-only subrecipients are required to submit Maintenance Logs for each 5310 vehicle annually, due around January 20th. The maintenance log should show all maintenance performed, the mileage at which service was performed, and the ending mileage for the year. Templates are available from TDOT. Check the Asset Monitor score sheet and the Deficient Reporting view in Teams as described above to see if the subrecipient is missing maintenance logs from the previous year. Maintenance logs are collected as part of the desk review</i></p>	

<p><i>but are not due until the end of the year, so they may not be provided for the current year, and the reviewer may have to follow up with the agency to ensure they are provided in January. If the reviewer obtains delinquent reports as part of the desk review, notify the Asset Monitor and Oversight Supervisor. Keep in mind that for larger fleets only a sampling of logs is obtained for desk review, so may not close a finding if other logs are missing. As above, it is important to make findings in this area when needed.</i></p>	
--	--

Americans with Disabilities Act (ADA)

Titles II and III of the Americans with Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service. Private non-profits who provide specialized transportation must still abide by Title III of the ADA. Some maintenance aspects of ADA regulations are addressed under the maintenance section.

Requested desk review documents:

- Rider Rules, Guidelines, or Policies (including service animal policy)
- Behavior Policies that have to do with access to transportation
- Complaint procedures and appeals process (for any disciplinary action involving access to transportation)
- Driver Guidelines or Policies

Desk review documents TDOT has on file:

- TDOT asset records showing accessibility

Question	Reviewer Comments
<i>Subtopic: Type of Subrecipient</i>	
1. Based on the organization profile, application, website, articles of incorporation, or enabling legislation, identify the type of subrecipient under review: <ul style="list-style-type: none">• Public entity• Private entity primarily engaged in transportation• Private entity not primarily engaged in transportation <p><i>Senior centers run by local government would fall under public entity. Most subrecipients fall under the last option – private and not primarily engaged in transportation. If the agency is a residential facility/treatment center, it is not primarily engaged in transportation.</i></p>	
2. Does the subrecipient provide demand response service?	

<p><i>The answer to this will be yes, but this establishes it for the record. If they provide service based on the needs of clients, and not on a fixed route, it is demand response for our purposes.</i></p>	
<p>Subtopic: Provision of Service Requirements – note to reviewer: look through rider guidelines and policies to see if they provide answers to the questions below. Then confirm at the site visit by asking conversational, hypothetical questions presenting the scenarios in question. Compose these questions in the right-hand column so you have them ready (i.e., do not read the questions in the left-hand column). Use the reference explanations to further inform the subrecipient as necessary.</p>	
<p>3. Does the subrecipient “do the best it can” to secure mobility devices (e.g., wheelchairs without working brakes, scooters) and allow any mobility devices other than those that present a direct threat to others?</p> <p><i>Section 37.165(f) of the DOT ADA regulations requires transit personnel to use their best efforts to secure mobility devices. Section 37.165(d) states that transit operators cannot refuse to accommodate a wheelchair because the device cannot be secured to the driver’s satisfaction.</i></p>	
<p>4. Does the subrecipient’s transportation policy permit service animals to accompany passengers with disabilities aboard vehicles, without requiring certification?</p> <p><i>49 CFR 37.3 defines service animal as any guide dog, signal dog, or other animal individually trained to work or perform tasks for an individual with a disability. The subrecipient cannot require certification of the service animal or ask what disability the service animal provides assistance for. The driver may confirm with the rider that the animal is a service animal trained to assist the rider. Comfort animals are not required to be accommodated.</i></p>	
<p>5. Does the subrecipient’s transportation policy allow individuals with disabilities to travel with attendants? All follow ups below also refer to the transportation policy:</p>	

<ul style="list-style-type: none"> • Are individual attendants only required if service could otherwise be refused due to a safety risk to the passenger or others onboard due to illegal, violent, or seriously disruptive behavior? • Does the definition of attendant include both those who provide assistance during travel and those who provide assistance at the destination? • Are any claimed attendants allowed? (I.e., there are no restrictions, and registration of specific people is not required) <p><i>Answer these questions in the desk review if you can, by reviewing the transportation policies requested and seeing if they have any restrictions or requirements that are not allowed. Individuals with disabilities must be allowed to travel with attendants if requested. Individual attendants cannot be required by the transportation policy, except under the single circumstance mentioned above. A subrecipient may require that an attendant is always present on a vehicle – not connected to any individual. The transportation policy cannot restrict or require registration of attendants. Note for residential facilities: If you do have to clarify this in the site visit, they may be confused by this question. Clarify that we are only asking about the transportation policy. If they bring up individual care plans, clarify that those are outside the scope of our oversight and we are only making sure that there are no blanket restrictions or requirements in the transportation policy. And keep this in mind when you phrase any questions.</i></p>	
<p>6. Does the subrecipient provide service to persons using respirators, concentrators, and/or portable oxygen?</p> <p><i>This requirement stems from 49 CFR 37.167(h)</i></p>	

<p>7. If the subrecipient has a policy governing the denial of transportation services due to rider conduct, was the policy provided and does it hold that:</p> <ul style="list-style-type: none"> • refusal of service may occur only in situations where a rider engages in violent, seriously disruptive, or illegal conduct; or represents a direct threat to the health or safety of others? • refusal of service to an individual with disabilities shall not occur solely because the individual's disability results in involuntary behavior that may offend, annoy, or inconvenience others? • there is an appeals process for any service refusals? • supervisors, dispatchers, and drivers are trained on the policy? <p><i>The requirements surrounding denial of service are found at 49 CFR 37.5(h) Subrecipients will sometimes have a policy against profanity – such a policy would not be allowed. The policy must use the type of language above – violent or seriously disruptive – to meet the regulations. Hygiene rules are ok if they're phrased as "strive for" or "aim for" but cannot mention refusing service unless it is explicitly for health and safety reasons, not just offensiveness. If the subrecipient does not have a written transportation policy for dealing with violent, seriously disruptive, or illegal conduct, it is recommended that they develop one, to formalize any unwritten policy. For residential facilities, they don't typically deny service, as they have clients they must serve, so discuss with them what accommodations are made to get violent or seriously disruptive clients where they need to go. Behavior policies that do not deal with access to transportation are not TDOT's concern. (E.g., if the policies only apply to clients</i></p>	
--	--

<p><i>while in the home or facility, they are not under review by us.)</i></p>	
<p>8. Does the subrecipient's transportation policy apply the same seatbelt requirements to all passengers?</p> <p><i>Under Section 37.5 of the DOT ADA regulations, a transit operator is not permitted to mandate the use by wheelchair users of seat belts and shoulder harnesses, unless the operator mandates the use of these devices by all passengers. I.e., Seat belts may be required, as long as all passengers are required to use them. The seat belt requirement should have an exception if the passenger is in a wheelchair that is unable to be secured – if this is not written out, it can be an advisory recommendation.</i></p>	
<p>9. Does the subrecipient's transportation policy allow wheelchair users a choice about wearing a body belt or not when traveling up and down on the lift?</p> <p><i>Answer this in the desk review if you can, by reviewing their transportation policies and making sure they do not have a requirement that is not allowed. Persons with disabilities must be allowed to decide their own risk like any other passenger and may choose not to use a body belt. See FTA Circular 4710.1. For residential facilities: As above, if this is discussed in the site visit, clarify that we are talking about their transportation policy – their transportation policy can't have a blanket requirement to use a body belt on the lift. What is required in individual care plans is not our concern.</i></p>	
<p>10. Does the subrecipient use the lift up to its weight capacity?</p> <p><i>Transportation operators must carry a wheelchair and occupant if the lift and vehicle can physically</i></p>	

<p><i>accommodate them. I.e., they cannot refuse service unless the combined weight of wheelchair and occupant exceeds the capacity of the lift and vehicle, or is inconsistent with legitimate safety requirements such as interfering with the safe evacuation of passengers in an emergency. See FTA wheelchair guidance</i></p>	
<p>11. Does the subrecipient's transportation policy allow standees to use the lift?</p> <p><i>Standees must be permitted to use the lift. E.g., if someone has trouble going up the steps in the van, they may use the lift. As above, perceived risk is not a reason to prohibit such use. This provision is discussed in 58 FR 63092. As above, we're making sure their transportation policy does not have a blanket prohibition against standees using the lift.</i></p>	
<p>12. Does the subrecipient's transportation policy allow scooter users or wheelchair passengers to choose whether or not to transfer to another seat?</p> <p><i>Answer this in the desk review if possible, by reviewing the subrecipient's transportation policies. Section 37.165(e) of the DOT ADA regulations allows persons who use wheelchairs to transfer to a vehicle seat, if one is available. Such a move is the rider's decision and the operator cannot force a rider to transfer to a vehicle seat, although it is encouraged and an operator can suggest a transfer in a non-coercive way. As above, we're making sure their transportation policy does not require transfer.</i></p>	
<p>13. Do the subrecipient's vehicle drivers assist individuals with disabilities with the use of securement systems, ramps, and lifts?</p>	

<p><i>Reviewer should ascertain this from provided driver guidelines/policies but may confirm on the site visit if necessary.</i></p>	
<p>14. Does the subrecipient's rider rules/guidelines/policies otherwise comply with ADA regulations?</p> <p><i>This is the reviewer's opportunity to point out anything else questionable found in the desk review of the subrecipient's policies, that was not covered by a specific question. The review questions in the field guide are designed to spot check requirements and not be comprehensive, so the reviewer may spot an additional compliance issue while reviewing the subrecipient's documents. E.g., if the reviewer sees a prohibition against food and drink on the vehicle, they may inquire to further determine if the subrecipient permits reasonable modification of this policy for medical reasons. This does not have to be written into the policy but should be acknowledged by the subrecipient and if it seems like a new concept to them can be an advisory comment.</i></p>	
<p>15. Describe the type of training given to the subrecipient's personnel to ensure that they operate vehicles and equipment safely, and properly assist and treat individuals with disabilities in a respectful and courteous way, with appropriate attention to the difference among individuals with disabilities.</p> <p><i>Reviewer may be able to ascertain in driver guidelines but may have to get elaboration on site visit.</i></p>	
Subtopic: Accessibility of Fleet	
<p>16. If the subrecipient has any 5310 vehicles that are not accessible (i.e., no lift or ramp), are they considering replacing those vehicles soon?</p>	

<p><i>Reviewer should be able to determine from TDOT records if the subrecipient has any inaccessible vehicles. If they do, bring up this question with them in the site visit – delicately, however, as they may be waiting on vehicles delayed by supply chain issues. Side note: We do not need to look at any Certificate of Equivalent Service for 5310-funded vehicles, as only accessible vehicles have been acquired in the past three years.</i></p>	
<p>17. Did the subrecipient acquire any passenger transportation vehicles through non-5310 funding in the last three years? If so, were those vehicles accessible? If they were not accessible, go through the following question to determine if the subrecipient still provides equivalent service: Is the service available to individuals with disabilities, including individuals who use wheelchairs, provided in the most integrated setting appropriate to the needs of the individual and is equivalent to the service provided other individuals with respect to the following service characteristics:</p> <ul style="list-style-type: none"> • Response time; • Fares; • Geographic area of service; • Hours and days of service; • Restrictions or priorities based on trip purpose; • Availability of information and reservations capability; and • Any constraints on capacity or service availability <p><i>See FTA Circular C 9070.1G. Providers of demand responsive service must utilize accessible vehicles, as defined by 49 CFR 37.7 or meet the applicable equivalent standard. If they just say yes, get them to elaborate.</i></p>	

Equal Employment Opportunity (EEO)

TDOT subrecipients must ensure that no person shall on the grounds of race, color, religion, national origin, sex, age or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program or activity receiving FTA funding.

Requested desk review documents:

- Employee handbook/personnel policies
- Sample of job application (can be viewed on website or provided by subrecipient)
- Photos of EEO statement and supplement on bulletin boards
- Organization Chart
- Any EEO complaints from the past three years

Question	Reviewer Comments
<p>1. Confirm in the desk review that the recipient does not meet the following threshold requirements, which would require them to prepare and maintain an <u>abbreviated</u> EEO program.</p> <ul style="list-style-type: none">• Requests or receives capital or operating assistance from the FTA in excess of \$1 million in the previous Federal fiscal year, or requests or receives planning assistance from the FTA in excess of \$250,000 in the previous Federal fiscal year, and• Employs between 50-99 transit-related employees <p><i>See FTA Circular 4704.1A Ch. 1.4 This never applies to our 5310 subrecipients so can be confirmed in the desk review. Only applies if the answer is Yes to one of the points in the first bullet and Yes to the second bullet. So if they aren't receiving huge FTA grants, it doesn't apply, no matter how many employees they have. Link</i></p>	
<p>2. Has the subrecipient posted an EEO statement in a conspicuous and accessible place in the workplace?</p>	

<ul style="list-style-type: none"> • Are both the current full EEO statement of rights and the EEO supplement posted? • Is the subrecipient's EEO policy included in personnel policies and/or employee handbook? <p><i>See FTA Circular 4704.1A Ch. 2.2.2 TDOT has the current statement and supplement in appropriate sizes for a bulletin board and reviewer may provide them to subrecipient if needed. Check the date on the notice to make sure it is the current one. Make sure the <u>current</u> supplement is also posted. (New poster and supplement came out in November 2022. To determine the current version, see what we have in the FormsAndTemplates folder – a laminated poster from a vendor does not always contain the necessary information, look closely at what is provided.) See internal instructions for example of handbook statement.</i></p>	
<p>3. Are EEO statements (i.e., the subrecipient “is an equal opportunity employer”) included on job applications and employment notices/job postings?</p> <p><i>See FTA Circular 4704.1A Ch. 2.2.2 The statement can be as simple as noted above, or may be more elaborate. If the agency is small, it's ok if they don't have a website or a robust website, as long as the statement is on the job application. If they don't use job applications, they need some kind of handout or notice that provides the statement to applicants (request a copy of the notice) or the statement must be on any kind of form that may be filled out (even if it's not a full-blown application, there's probably some kind of form applicants fill out).</i></p>	
<p>4. Does the subrecipient ensure non-discrimination for ADA-eligible persons in terms of employment? (E.g., describe</p>	

<p>any outreach, training of hiring personnel, reasonable accommodation language in job postings.)</p> <ul style="list-style-type: none"> • If requested, were reasonable accommodations made in the last three years for hiring a person with disabilities in accordance with Title I of the ADA? If yes, describe the accommodation(s). <p><i>It's ok if they didn't have any request for reasonable accommodations in the last three years, but we want to know if they did. We're not looking for generic features of their building, etc. – we want to know if any specific accommodations were made.</i></p>	
<p>5. Who is responsible for ensuring that EEO obligations are fulfilled on behalf of the subrecipient?</p> <p><i>This should be ascertained from the Org Chart and can be confirmed at the site visit. This information is for TDOT's Civil Rights Office.</i></p>	
<p>6. Were any EEO complaints or lawsuits received in the past three years?</p> <ul style="list-style-type: none"> • If yes, describe the nature of the complaint or lawsuit. Ask to see records associated with the event. • If yes, did the subrecipient report the complaint or lawsuit to TDOT? <p><i>EEO complaints must be reported immediately to TDOT – remind the subrecipient of this requirement. If they say the complaint was reported, confirm with Oversight or OMAT personnel. TDOT should have the current status (open, pending, under investigation, closed, etc.) and copies of any order, consent decree, or other finding if complaint upheld. Make sure we do or ask for materials as necessary.</i></p>	

Title VI

TDOT subrecipients must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance (without regard to whether specific projects or services are federally funded). Additionally, the subrecipient must ensure that all transit services and related benefits are distributed in an equitable manner.

Requested desk review documents:

- Title VI approval letter from TDOT Civil Rights Office
- Photos of Title VI notice on bulletin boards and/or vehicles
- Photos of LEP poster on bulletin boards and/or vehicles (e.g., I Speak poster)

Question	Reviewer Comments
Subtopic: Title VI Program	
1. Did the subrecipient provide a current compliance approval letter from the TDOT Civil Rights Office? <ul style="list-style-type: none">• What is the expiration date of the approval noted in the letter? (read carefully and make sure you get the compliance expiration date, not the date the next affidavit is due)• If the approval is current, has the subrecipient provided the annual No Change Affidavit to the TDOT Civil Rights Office as required? (ask at site visit) <i>The Civil Rights Office will send it to them on the first of the month that it is due.</i>• If they don't have a current approval letter, ask if they've been granted an extension by the TDOT Civil Rights Office (and if so ask them to provide the email or letter with that extension).• Check the Compliance Tracker to see the latest approval letter we have on file. If it is current and the subrecipient was unable to locate their copy, you can send them one. If the letter they send is	

<p>more current than the one we have on file, put a copy of the letter in the designated folder in the Compliance Parking Lot and alert the Oversight Supervisor.</p> <p><i>The TDOT Civil Rights Office compliance determinations examine the subrecipient's Title VI program and are valid for three years provided there have been no changes to the Title VI Program or the Title VI Coordinator. The "No Change" Affidavit and Title VI Assurance Statement is required to be submitted annually to maintain compliance with the TDOT Civil Rights Office. Inform the subrecipient of the requirements if they are new and unaware. If the TDOT Civil Rights Office has not issued a compliance approval letter or extension in the last three years, or the subrecipient can't find their letter and we don't have it in the tracker yet, contact the appropriate regional coordinator at the TDOT Civil Rights Office. The Civil Rights Office will take it from there (or provide you with a copy of the current letter, if there is one). They will lead the agency through the process. Your only task is to check with the Civil Rights Office that it's moving along and get a copy of the approval letter. Beginning in 2023, the Civil Rights Office will copy us on new approval letters issued, so we should eventually have all of the current letters in the Compliance Tracker. We will still ask for them in reviews though, to make sure the agency is aware of their current status and expiration date and keeps adequate records.</i></p>	
<p>Subtopic: Notice of Rights</p>	
<p>2. Does the subrecipient notify the public of their rights under Title VI by posting a Title VI notice in areas most visible to the public?</p> <ul style="list-style-type: none"> • Is the notice posted: <ul style="list-style-type: none"> <input type="checkbox"/> On their website (if they have one)? 	

<div style="margin-bottom: 10px;"> <input type="checkbox"/> In public areas of their office? </div> <div style="margin-bottom: 10px;"> <input type="checkbox"/> On transportation vehicles? </div> <ul style="list-style-type: none"> Does the notice include a statement that the agency operates programs without regard to race, color, or national origin? Does the notice include information on how to obtain further information on the subrecipient's Title VI policies and procedures? Does the notice include information on how to file a complaint based on Title VI discrimination, including local (the agency), state, and Federal contact information? <p style="margin-top: 20px;"><i>See FTA Circular 4702.1B, Ch. III, Section 5, Requirement to Notify Beneficiaries of Protection Under Title VI. See also Section D.8. of the contract language, which requires subrecipients to post notices of nondiscrimination in conspicuous places available to employees and program participants. If they have not posted them in all of the locations mentioned in the first bullet point, discuss internally – not all are required, but they are required to post it where it will be most seen. That location may be different for a residential facility v. a day center that mostly conducts outings.</i></p> <p><i>We have a template that can be provided to the subrecipient but the subrecipient must personalize it to their agency and add their contact information to the notice (whoever in the agency handles Title VI), so that a complainant may choose which contact they would like to use. The template can be found in the FormsAndTemplates folder and was made in coordination with the TDOT Civil Rights Office. So even if they have a DIDD type poster with just their contact info and they want to hang our template next to it, they must personalize our template. If they have</i></p>	
--	--

<p><i>an older TDOT notice with just their contact info at the bottom, they must redo it and personalize the whole notice to their agency, as indicated in the current template.</i></p>	
<p>3. Does the subrecipient make its Title VI complaint procedures and complaint form available to the public on its website? (In addition to the notice of rights mentioned in question 2.)</p> <p><i>See FTA Circular 4702.1B, Ch. III, Section 6, Requirement to Develop Title VI Complaint Procedures and Complaint Form. Complaint procedures are assessed by the TDOT Civil Rights Office when issuing their approval, so the subrecipient should have these available to link if they have that approval. We do not assess the procedures, we leave that to the Civil Rights Office, we just make sure they are linked on the website. The approval process should have yielded a complaint form as well, but if the subrecipient is still going through that process and does not have one developed, they may also use our template for that, but again must personalize it to their agency and add their contact information to the form, so that a complainant may choose which contact to submit it to. The template can be found in the FormsAndTemplates folder and was made in coordination with the TDOT Civil Rights Office. If the subrecipient does not have a website, ask on the conference call if they have a Facebook page or a county/corporate website of a parent organization. It is acceptable to post to whatever online presence they have. If they do not have any presence, discuss internally.</i></p>	
<p>Subtopic: Limited English Proficiency (LEP)</p>	
<p>4. Does the subrecipient make efforts to provide access to information and services by LEP persons? (Describe.)</p> <ul style="list-style-type: none"> • What translation service(s) does the subrecipient use? 	

- Does the subrecipient post an LEP notice in public areas? (I Speak type poster)
- Is the public notice of Title VI rights and complaint form provided in languages other than English if needed according to the subrecipient's language assistance plan?

Individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English can be limited English proficient (LEP). Subrecipients are required to take reasonable steps to ensure meaningful access to their programs and activities by LEP persons. The TDOT Civil Rights Office compliance determinations examine the subrecipient's Four Factor Analysis that assesses language needs. The TDOT Civil Rights Office can also offer guidance to subrecipients on LEP services. Inform the subrecipient of this resource. Some subrecipients use local colleges or police departments as resources for translation services – they do not always have to use a paid service. As far as the public notice in other languages, ascertain if their language assistance plan identified languages that need to be provided. If they do not yet have a plan, follow up on this question after they have obtained approval from the TDOT Civil Rights Office. We do not assess or provide guidance on their LEP Plan or any elements of it, we leave that to the Civil Rights Office.

School Bus

TDOT subrecipients are prohibited from providing exclusive school bus service in competition with private school bus operators, unless the service qualifies and is approved by the FTA Administrator under an allowable exemption as defined in 49 CFR Part 605.11.

Requested desk review documents:

- None

Question	Reviewer Comments
<p>1. If the subrecipient has any passengers on their vehicles that are using the transportation to get to school, is it either:</p> <p>a) open to the public and part of regularly scheduled service (i.e., “tripper” service), or</p> <p>b) approved by the FTA Administrator under an allowable exemption?</p> <p><i>Don’t just ask if they have school bus service, ask it like it is phrased above – do any passengers happen to be going to school on their vehicles.</i></p> <p><i>49 CFR Part 605.11 defines the following exemptions for school bus service:</i></p> <ul style="list-style-type: none">• <i>the grant recipient operates a school system in its urban area and also operates a separate and exclusive school bus program for that school system; or</i>• <i>private school bus operators in the urban area are unable to provide adequate transportation, at a reasonable rate, and in conformance with applicable safety standards; or</i>• <i>the grant recipient is a state or local public body or agency thereof (or a direct predecessor in interest which has acquired the function of so transporting schoolchildren and personnel along with facilities to be used therefor) who was so engaged in school bus operations</i>	

Charter Bus

TDOT subrecipients are prohibited from using FTA-funded equipment and facilities to provide charter service that unfairly competes with private charter operators. TDOT subrecipients may operate charter only when the service meets a specified exception or exemption as defined in 49 CFR Part 604.

Requested desk review documents:

- Charter reports, if applicable

Question	Reviewer Comments
<p>1. Does the subrecipient provide charter service (hiring out a vehicle for a purpose other than its usual use)? If the subrecipient provides charter bus service using FTA financial assistance, is it done according to an authorized exemption or exception and with TDOT prior approval?</p> <p><i>This does not typically happen with our 5310 subrecipients, but we have to confirm. As with all questions, this applies only to the last three years.</i></p> <p><i>49 CFR Part 604.2 defines the following <u>exemptions</u>, which are NOT considered charter service:</i></p> <ul style="list-style-type: none">• <i>Transportation of transit employees, contractors, and government officials for the purpose of conducting oversight functions</i>• <i>Service provided by private charter operators that receive FTA financial assistance</i>• <i>Transportation for emergency preparedness planning and operation</i>• <i>Transportation for FTA program purposes under Sections 5310, 5311, 5316, or 5317</i>• <i>Transportation in response to a formally declared emergency</i>	

<ul style="list-style-type: none"> • <i>Service provided by subrecipients in non-urbanized areas to and/or from transit training outside their geographic service area</i> <p><i>49 CFR Part 604.6-11 defines the following <u>exceptions</u>, which are considered charter service and have administrative, record-keeping, and reporting requirements:</i></p> <ul style="list-style-type: none"> • <i>Transportation of government officials on official government business</i> • <i>Service to qualified human service organizations</i> • <i>Leasing FTA-funded equipment and drivers to registered charter providers</i> • <i>Service when no registered charter provider responds to notice from the subrecipient</i> • <i>Service consistent with an agreement with registered charter providers</i> • <i>Service based on a petition to the FTA Administrator</i> 	
--	--

Drug and Alcohol Program

Recipients or subrecipients that receive only 5310 program assistance are not subject to FTA's drug and alcohol testing rules, but must comply with the Federal Motor Carrier Safety Administration (FMCSA) rule for all employees who hold commercial driver's licenses (49 CFR part 382).

Requested desk review documents:

- Drug and alcohol testing policy, if required

Question	Reviewer Comments
<p>1. If the subrecipient operates vehicles that require the driver to hold a Commercial Driver's License (CDL), have they initiated a drug and alcohol testing program that meets the requirements of 49 CFR part 382?</p> <p><i>5310 subrecipients very rarely operate vehicles that require a CDL. But if they do, they should have provided their drug and alcohol testing policy in the desk review documents. To compare it to FMCSA requirements, check here:</i></p> <p>https://www.fmcsa.dot.gov/regulations/drug-alcohol-testing/what-tests-are-required-and-when-does-testing-occur</p>	

List of Review Attendees

Name	Title	Organization	Phone Number	Email Address
*				

* Subrecipient's primary point of contact

** Lead Reviewer



STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION
DIVISION OF MULTIMODAL TRANSPORTATION RESOURCES
SUITE 1200, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2781

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

[DATE]

[Contact Name]

[Agency Name]

[Address]

[City, State, Zip]

Re: 5310 Subrecipient Compliance Review

Dear [Name],

The Tennessee Department of Transportation is undertaking a review of FTA Section 5310 subrecipients for compliance with Federal, State, and contractual requirements. The reviews conducted are designed to assist you in your efforts to operate a high quality, compliant transportation program.

This notification letter package contains an overview of TDOT's compliance review process, a subrecipient profile to be completed by your organization and a list of requested documents to be provided by your organization. We ask that your organization provide the applicable desk review documents by [date]. The virtual site visit conference call is scheduled to occur on [date].

TDOT's 5310 Compliance Review Field Guide will be used to lead virtual site visit conversations and ensure that all relevant topics are addressed. While this document was primarily developed for use by TDOT, it is included (as a separate attachment) to support your organization in preparing for this review. If you have any questions regarding the review process or requested material, please contact me directly at [email, phone number].

Thank you for your time and attention to this process. We look forward to a productive and successful review.

Sincerely,

Name of Lead Reviewer, Position Title

cc: [assisting reviewer]

Brian Higdon, TDOT Transit Oversight Manager

Julie Mattes, TDOT Transit Oversight Supervisor

Nicquayleeonntea Moore, TDOT Transportation Program Monitor

TDOT 5310 SUBRECIPIENT REVIEW PROCESS

1. Subrecipient to Provide Desk Review Documents

Following receipt of this notification letter package, each subrecipient will be given **20 days** to provide the requested documents to TDOT. If a file is too large to send via email, contact your lead reviewer for an upload link.

The listing of requested desk review material appears as a table at the end of this document. Your timely submission of these items will enable the reviewer(s) to focus on providing technical assistance relating to potential compliance issues on the conference call. **Failure to submit all requested documents could result in compliance findings** – please provide everything requested that is applicable to your agency.

2. Virtual Site Visit Conference Call

While on the conference call, the reviewer will use TDOT's 5310 Compliance Review Field Guide as a tool to lead conversations and ensure that all relevant compliance topics are addressed. While this document was primarily developed for use by TDOT and its reviewing contractor, it is included with this notification letter package (as a separate attachment) to support your organization in preparing for this review.

During the call, the review team may need to interview multiple personnel at your agency, including but not necessarily limited to the individuals who perform the following functions:

- Transportation manager
- Agency executive director
- Operations manager
- Maintenance manager
- Fiscal director
- Human resources manager
- Training supervisor
- Driver

We understand that not everyone will be available for the call. We will work together to have all the information we need throughout the compliance review process.

After the conclusion of the conference call, the reviewer will send a recap email to the subrecipient highlighting what is still needed from the subrecipient and providing any information/templates promised from TDOT.

3. Draft Report

Within the 30 days following the virtual site visit, TDOT will issue a draft version of your organization's compliance report. The report will be prepared according to a standardized format and include a discussion of each compliance finding, the relevant regulatory citations, the required corrective action, and the timeframe for remedy. Further, the report may identify best practices surrounding any issues that do not rise to the level of a compliance deficiency but represent potential areas for improvement.

Upon receiving the draft compliance report, your organization will have **30 days** to review the document and provide any comments to TDOT. During this period, the TDOT review team will remain available to answer questions about the findings and provide any additional technical assistance needed to ensure your organization is well-equipped to successfully address deficiencies.

4. TDOT to Issue Final Report to Subrecipient

Following the receipt of any draft report comments your organization may have, TDOT will issue the final version of the compliance report. Any findings that your organization was able to remedy prior to the writing of the final report will be noted as closed. Any open findings will identify a specific timeframe for remedy.

5. Subrecipient to Submit Corrective Actions to TDOT

During the 30-60 days following receipt of the final report, your organization will be tasked with submitting any material needed to address compliance deficiencies to the TDOT review team for evaluation. If the corrective action is determined to cure the deficiency, then the finding will be closed. If additional corrective action is required, the review team will work with your organization to discuss barriers and solutions to closing the finding.

Recommended Schedule for Compliance Review

No.	Step	Recommended Time Frame	
(1)	TDOT Notification Package	40	} Days before TDOT Virtual Site Visit
(2)	Requested Documents Due	20	
(3)	TDOT Conducts Desk Review	20-5	
(4)	Virtual Site Visit		
(5)	Draft Report Distributed	30	} Days after TDOT Virtual Site Visit
(6)	Subrecipient Response to Draft Report	30-60	
(7)	Final Report Distributed	60	
(8)	Subrecipient Submits Corrective Action	90-120	
(9)	TDOT Approves Corrective Action	100-130	
(10)	Long-Term Remedial Action by Subrecipient	Based on Schedule	

Note: Times given for TDOT to complete tasks may be compressed from what is shown due to time constraints. The time subrecipients are given to complete tasks will not be compressed.

SUBRECIPIENT PROFILE (TO BE COMPLETED BY SUBRECIPIENT)

Please populate the tables below with information regarding your organization. The best way to do this is typing it directly in this Word document, so the fields can expand as you type.

Organization Profile
Name of organization:
Type of organization (e.g., senior center, group home, assisted living.):
Website(s):
Primary point of contact (name, title, phone, and email):
Business Address:

Operations Profile
Year transportation service started:
List transportation services provided (e.g., medical appointments, recreational outings, job sites):
Counties served:
Sources of funding used to support vehicle operations (list all Federal, State, and local sources of funding, such as DIDD, HHS, fundraising, donations, etc.):

REQUESTED DESK REVIEW MATERIAL

Please provide the following materials to TDOT by **[Date]**. Use the Subrecipient Comments column to check off items as submitted or provide the status of an in progress item. (E.g., “Submitted Title VI Assessment to Civil Rights Office on x date, awaiting reply.” If you have any questions about a requested item, don’t hesitate to contact your lead reviewer for technical assistance.

Document	Subrecipient Comments
General	
Completed subrecipient profile and desk review checklist (both included as part of this notification package)	
Program Management	
Organization chart (include names of the people with the following positions: Title VI Coordinator, ADA Coordinator, and EEO Officer)	
Photo of Comptroller’s hotline number poster on bulletin board or somewhere publicly visible (see example below, full size version available from TDOT)	
Maintenance	
Current written vehicle maintenance plan	
Vehicle asset inventory (see Field Guide for required elements)	
Maintenance Logs for the past three years*	
Oil change receipts for the past three consecutive oil changes for each sampled vehicle*	
<i>*For 10% of fleet/up to at least 3 vehicles, use the same sampled vehicles for both items</i>	
Transportation service policies (if any, including vehicle disposition policy)	
Lease agreements on any 5310-funded vehicles leased to third parties (if any)	
Vehicle photos (see below for required photos)	
Insurance policy on 5310 vehicles, showing levels of coverage	
Americans with Disabilities Act (ADA)	
Rider Rules, Guidelines, or Policies (including service animal policy) (if any)	
Behavior policies that have to do with access to transportation (if any)	
Complaint procedures/appeals process for any disciplinary action involving access to transportation	
Driver Guidelines or Policies	
Equal Employment Opportunity (EEO)	

Employee handbook/personnel policies	
Sample job application, or link to application on website	
Photos of current EEO poster and supplement on bulletin board (see example below, full size versions available from TDOT or link provided)	
Any EEO complaints from the past three years	
Title VI	
Current Title VI approval letter from TDOT Civil Rights Office	
Photos of Title VI notice on bulletin boards and/or vehicles (notice must include contact information for the subrecipient, TDOT, and FTA; template available from TDOT)	
Photos of a language poster for LEP persons (see example below)	
School and Charter Bus	
Charter reports, if applicable	
Drug and Alcohol Program (if subrecipient has a vehicle that requires a Commercial Driver's License)	
Drug and alcohol testing policy	

Vehicle Photo Requirements (continued on next page)

Photos that include the following elements:

- VIN (number on dash)
- Exterior – please take pictures of the vehicle from all angles, to show its condition
- Please take a picture of the tires, and if possible, take a picture of the tool used to measure the tire tread.
- Body damage (if any)
- Undamaged exterior mirrors
- The lift or ramp extended out (if vehicle has a lift or ramp)
- Interior – please take pictures of the interior to show its condition
- On-board fire extinguisher (please capture a picture of the ticket that reads the expiration date or show full charge if it's a one-time use extinguisher)
- On-board Bloodborne Pathogen Kit.
The kit must have (at least):
 - Paper Towels
 - Gloves
 - Disinfectant spray (or wipes)/Germicide
 - Hand sanitizer
 - Face masks
 - Eye shield
 - Bio hazard bag or sharps container
- On-board First Aid Kit
- License Plate

Photos of the Wheelchair securement hardware (if any) that demonstrate the following:

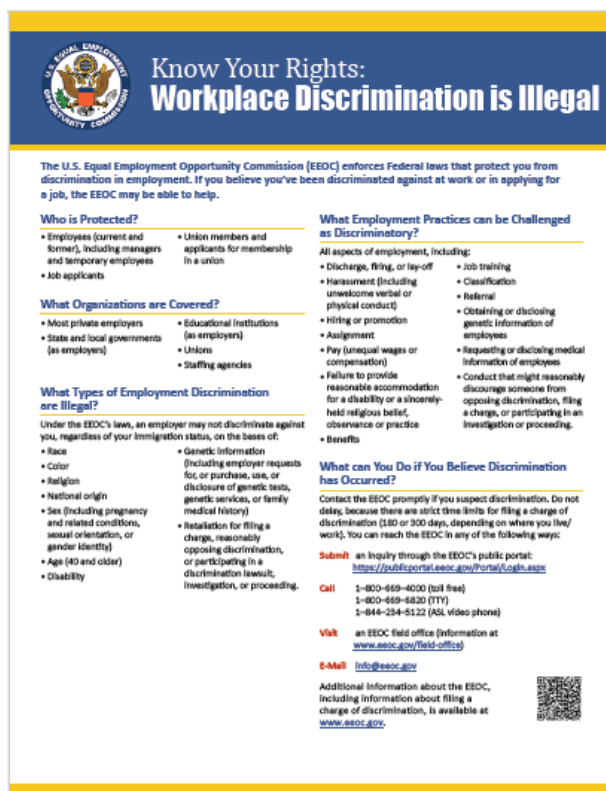
- When not in use, securement belts must be stowed properly and not left on the floor
- Securement belts should be free of significant fraying
- The Securement tracks/discs (depends on the vehicle) should be clean and free of dirt
- There should be no obstacles blocking the wheelchair station

Bulletin Board/Public Notice Requirements

These are examples of what the required Posters/Notices may look like.

- EEO Poster and supplement attachment (*Figure 1a, 1b – this can be emailed to you as a PDF*)
- Comptroller Poster (*Figure 2- this can be emailed to you*)
- Limited English Proficiency (LEP) poster/sign (*Figure 3*)
- Title VI Notice (*Figure 4 – this can be emailed to you as a Word document for personalizing*)

Figure 1a.



Know Your Rights: Workplace Discrimination is Illegal

The U.S. Equal Employment Opportunity Commission (EEOC) enforces Federal laws that protect you from discrimination in employment. If you believe you've been discriminated against at work or in applying for a job, the EEOC may be able to help.

Who is Protected?

- Employees (current and former), including managers and temporary employees
- Job applicants
- Union members and applicants for membership in a union

What Organizations are Covered?

- Most private employers
- State and local governments (as employers)
- Educational institutions (as employers)
- Unions
- Staffing agencies

What Types of Employment Discrimination are Illegal?

Under the EEOC's laws, an employer may not discriminate against you, regardless of your immigration status, on the basis of:

- Race
- Color
- Religion
- National origin
- Sex (including pregnancy and related conditions, sexual orientation, or gender identity)
- Age (40 and older)
- Disability
- Genetic information (including employer requests for, or purchase, use, or disclosure of genetic tests, genetic services, or family medical history)
- Retaliation for filing a charge, reasonably opposing discrimination, or participating in a discrimination lawsuit, investigation, or proceeding.

What Employment Practices can be Challenged as Discriminatory?

All aspects of employment, including:

- Discharge, firing, or lay-off
- Harassment (including unwelcome verbal or physical conduct)
- Hiring or promotion
- Assignment
- Pay (unequal wages or compensation)
- Failure to provide reasonable accommodation for a disability or a sincerely-held religious belief, observance or practice
- Benefits
- Job training
- Classification
- Referral
- Obtaining or disclosing genetic information of employees
- Requesting or disclosing medical information of employees
- Conduct that might reasonably discourage someone from opposing discrimination, filing a charge, or participating in an investigation or proceeding.

What can You Do if You Believe Discrimination has Occurred?

Contact the EEOC promptly if you suspect discrimination. Do not delay, because there are strict time limits for filing a charge of discrimination (180 or 300 days, depending on where you live/work). You can reach the EEOC in any of the following ways:

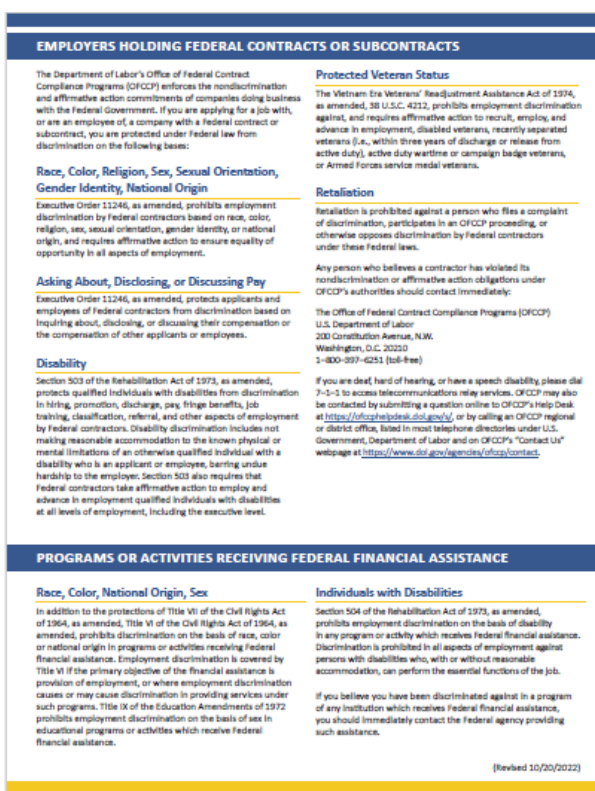
Submit an inquiry through the EEOC's public portal:
<https://publicportal.eeoc.gov/portal/login.aspx>

Call:
 1-800-669-4000 (toll free)
 1-800-669-6820 (TTY)
 1-844-234-5122 (ASL video phone)

Visit an EEOC field office (information at www.eeoc.gov/field-office)

E-Mail: info@eeoc.gov

Additional information about the EEOC, including information about filing a charge of discrimination, is available at www.eeoc.gov.



EMPLOYERS HOLDING FEDERAL CONTRACTS OR SUBCONTRACTS

The Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) enforces the nondiscrimination and affirmative action commitments of companies doing business with the Federal Government. If you are applying for a job with, or are an employee of, a company with a Federal contract or subcontract, you are protected under Federal law from discrimination on the following bases:

Race, Color, Religion, Sex, Sexual Orientation, Gender Identity, National Origin

Executive Order 11246, as amended, prohibits employment discrimination by Federal contractors based on race, color, religion, sex, sexual orientation, gender identity, or national origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment.

Protected Veteran Status

The Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212, prohibits employment discrimination against, and requires affirmative action to recruit, employ, and advance in employment, disabled veterans, recently separated veterans (i.e., within three years of discharge or release from active duty), active duty wartime or campaign badge veterans, or Armed Forces service medal veterans.

Retaliation

Retaliation is prohibited against a person who files a complaint of discrimination, participates in an OFCCP proceeding, or otherwise opposes discrimination by Federal contractors under these Federal laws.

Any person who believes a contractor has violated its nondiscrimination or affirmative action obligations under OFCCP's authorities should contact immediately:

The Office of Federal Contract Compliance Programs (OFCCP)
 U.S. Department of Labor
 230 Constitution Avenue, N.W.
 Washington, D.C. 20220
 1-800-357-6251 (toll-free)

If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services. OFCCP may also be contacted by submitting a question online to OFCCP's Help Desk at <https://helpdesk.ofccp.dol.gov/>, or by calling an OFCCP regional or district office, listed in most telephone directories under U.S. Government, Department of Labor and on OFCCP's "Contact Us" webpage at <https://www.dol.gov/agencies/ofccp/contact>.

Disability

Section 503 of the Rehabilitation Act of 1973, as amended, protects qualified individuals with disabilities from discrimination in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment by Federal contractors. Disability discrimination includes not making reasonable accommodation to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, barring undue hardship to the employer. Section 503 also requires that Federal contractors take affirmative action to employ and advance in employment qualified individuals with disabilities at all levels of employment, including the executive level.

PROGRAMS OR ACTIVITIES RECEIVING FEDERAL FINANCIAL ASSISTANCE

Race, Color, National Origin, Sex

In addition to the protections of Title VI of the Civil Rights Act of 1964, as amended, Title VI of the Civil Rights Act of 1964, as amended, prohibits discrimination on the basis of race, color or national origin in programs or activities receiving Federal financial assistance. Employment discrimination is covered by Title VI if the primary objective of the financial assistance is provision of employment, or where employment discrimination causes or may cause discrimination in providing services under such programs. Title IX of the Education Amendments of 1972 prohibits employment discrimination on the basis of sex in educational programs or activities which receive Federal financial assistance.


Individuals with Disabilities

Section 504 of the Rehabilitation Act of 1973, as amended, prohibits employment discrimination on the basis of disability in any program or activity which receives Federal financial assistance. Discrimination is prohibited in all aspects of employment against persons with disabilities who, with or without reasonable accommodation, can perform the essential functions of the job.

If you believe you have been discriminated against in a program of any institution which receives Federal financial assistance, you should immediately contact the Federal agency providing such assistance.

(Revised 10/20/2022)


Figure 1b.



PAY TRANSPARENCY NONDISCRIMINATION PROVISION

The contractor will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor's legal duty to furnish information. 41 CFR 60-1.35(c)


If you believe that you have experienced discrimination contact OFCCP
1.800.337.6251 | TTY 1.877.889.5627 | www.dol.gov/ofccp



300 CONSTITUTION AVENUE NW | WASHINGTON, DC 20210 | Tel: 1-800-337-6251 | TTY: 1-877-889-5627 | www.dol.gov/ofccp

[Workplace Posters](#) | [U.S. Department of Labor \(dol.gov\)](#)

Figure 2.




Citizens and agencies are encouraged to report fraud, waste, or abuse in State and Local government.

NOTICE: This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be illegal, improper, or wasteful, please call the state Comptroller's toll-free Hotline:

1-800-232-5454

Notifications can also be submitted electronically at:

<http://www.comptroller.tn.gov/hotline>



Procedures of the Process, Notification No. 001001, April 2011, 001001-001

Figure 3.

 LANGUAGE IDENTIFICATION GUIDE		
Do you speak English?	Point here and an interpreter will be assigned to you, at no cost.	English
Habla Español?	Señale aquí y se le asignará un intérprete sin costo.	Spanish
هل تتكلم العربية ؟	أشير هنا والترجم سيكون مجرّداً .	Arabic
ته توريه بنطاشي ؟	نوشارت لفرق بکه تهرمان به تحارو کهن ، به خورای	Kurdish (Bakhtiari)
بابا کووری سمه دهکیت ؟	نوشارت لفره که موی جهمت یانلهده یکهن ، به خورای	Kurdish (Sorani)
آیا شما فارسی صحبت میکنید؟	ترجمه جاتره منم بخودت امدا اخبارا مرگا رابگان به اخبار شما قرار میگردد.	Farsi
Bạn nói tiếng Việt phải không?	Khi vào đây và sẽ có người thông thạo ngôn ngữ của Bạn. Bạn không phải trả gì hết.	Vietnamese
Maku hadashaa afka soomaaliga?	Halalkan tarjia ku-figid hurjubaan lacag la-an ayasid heleysaa.	Somali
Da li govorište Bosanski?	Pokažite ovdje i prevodnici će vam biti bezopjednjeni, besplatno.	Bosnian
Parlez-vous français?	Oui, un interprète sera assigné pour vous, sans avoir payé.	French
શું તમે ગુજરાતી બોલો છો?	પ્રેમકર્તા અહિં આવીને તમારો ભાષા સમજાવવામાં આવશે.	Gujarati
你会讲中文吗？	講話在此我們有免費及多種選擇。	Chinese (Mandarin)
日本語を話せますか？	こちらで下さい。無料の通訳者を指定します。	Japanese
Je-usa zsumungxa kwawahlit?	Nyosha kidola hape na ubatafisiwisa bile kulpe chochote.	Kiswahili
Você fala Português?	Aperie aqui e um intérprete lhe será fornecido sem custo algum.	Portuguese
कहा आप हिंदी बोल सकते हैं ?	इसका यहाँ पर निशाने, अपरात्र करकेचले विनामूल्य मिल जायेगे।	Hindi
한국어를 하십니까?	아맞을 시작하루시엔 한역가가 무료로 호출됩니다.	Korean
She conversee ne pyoo?!	Yikante oduka, a consoquente beseleto! Ben byatit prestatoreben hereterekus.	Russian
ଆମେ କି ହୋଇପାରିବୁ ?	ଈହତ୍ତମେ ଉଦ୍ଧାରଣ କରାଯାଇଥାଏ ଏହିଭଳି ସ୍ଥାନରେ ଅନୁବାଦକଙ୍କ ସହାୟତା ମିଳିଥାଏ ।	Amarican
Eskai ou pale keyoi?	Pween isk ik e yon emtrepri as vin edow' graiss.	Haitian Creole
Jin kuoni Thook nuora?	Wano eme deri thook nuora jek ke kuc du a thi kol.	Nuer
ਮੇਰੇ ਪ੍ਰਸ਼ਨਾਂ ਦੇ ਜਵਾਬ ਦਿਓ !	ਅਜਿਹੇ ਸਵਾਲਾਂ ਦੇ ਜਵਾਬਾਂ ਨੂੰ ਵਿਨਾ ਮੁਲਾਂ ਹੀ ਮਿਲੇਗੇ।	Gujarati
Turkiye biliyorumsunuz?	Burayı gösterişiniz, ücretsiz tercuman size yardem edecekir.	Turkish
ທ່ານເວົ້າໄດ້ພາສາໄທບໍລິມະຊົນຫຼືບໍ່?	ທ່ານກຳລັງຕອບສະໜອງຄຳຖາມຂອງພວກຂ້າພວກເຮົາ	Thai
Afsan Oromoo nidubata	Harkake astii baasi gergesse Afsan haqaa malaqa dawa argasta.	Oromo
Avaza Language Services Corp. 52909 Linbar Dr. Suite 603 Nashville, TN 37211 www.avaza.co		Tel.: 615.534.3800 fax: 615.816.8506 800.482.5292

© 2004 Avaza Language Services Corp.

Figure 4.

[ENTITY NAME, logo, etc.]

Title VI Nondiscrimination Statement

Título VI Declaración de Prohibición de Discriminación

[ENTITY NAME] ensures compliance with Title VI of the Civil Rights Act of 1964; 49 CFR, part 21; related statutes and regulations to the end that no person shall be excluded from participation in or be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance from the U.S. Department of Transportation on the grounds of race, color, or national origin.

[ENTITY NAME] asegura el cumplimiento del Título VI del Acto de Derechos Civiles de 1964; 49 CFR, Parte 21, relacionados estatutos y normas para asegurar que ninguna persona sea excluida o discriminada, o que se le nieguen los beneficios de cualquier programa o actividad la cual reciba ayuda financiera federal del Departamento de Transporte de los Estados Unidos sin importar su raza, color, o origen nacional.

Any person who believes he or she has been discriminated against can file a complaint with the appropriate agency:

Cualquier persona que crea que ha sido discriminada puede presentar una queja ante la agencia correspondiente.

TN Department of Transportation 505 Deaderick Street Suite 1800, James K. Polk Building Nashville, TN 37243-0347 888.370.3647	TN Human Rights Commission William R. Snodgrass BLD/TN Towers, 312 Rosa Parks AVE, 23 rd Floor, Nashville, TN 37243 800.251.3589	FHWA Office of Civil Rights 1200 New Jersey AVE, S.E., 8 th Floor E81-314, Washington, DC 20591 202.366.0693	FTA Office of Civil Rights Title VI Coordinator East Building, 5 th Floor -TCR, 1200 New Jersey AVE, S.E. Washington, DC 20590 888.446.4511
---	---	---	--

Entity Name

Name of Title VI Coordinator

Title VI Coordinator

Street Address

City, ST ZIP

Phone number, etc.



RISK ASSESSMENT QUESTIONNAIRE

Agency: _____

I. General Assessment		
1. Subrecipient experience with State or Federal Funds:		
	Risk Factor	Your Score
5+ years	1	
3-5 years	3	
0-3 years	5	
Comments:		
2. Subrecipient experience with specific Grant program:		
	Risk Factor	Your Score
5+ years	1	
3-5 years	3	
0-3 years	5	
Comments:		
3. Management or staff turnover or reorganization that affects this program:		
	Risk Factor	Your Score
No turnover or reorganization	1	
Little turnover or reorganization	3	
Significant turnover or reorganization	5	
Comments:		
4. Experience of staff and management assigned to the program:		
	Risk Factor	Your Score
5+ years/funding cycles	1	
2-5 years/funding cycles	3	
Less than 2 years/funding cycles	5	
Comments:		

5. How do you think TDOT will rate subrecipient timeliness in document submission?

a) Applications

b) Amendments

c) Fiscal or Financial Reporting

d) Budgets/Revisions

e) Procurements

f) Close-out

g) Single Audits and corrective action plans (if applicable)

	Risk Factor	Your Score
On time submission of all documents	1	
Rarely late or sometimes late on some documents	3	
Consistently late on some or all documents	5	

Comments:**6. How do you think TDOT will rate subrecipient timely response to program/fiscal questions:**

	Risk Factor	Your Score
Always timely in response	1	
Sometimes late in response	3	
Consistently late in response	5	

Comments:**7. Complexity of the business environment or program funding/matching requirements:**

	Risk Factor	Your Score
Simple program requirements and operations environment	1	
Moderately complex program requirements and operations environment	3	
Complex operations environment and program requirements	5	

Comments (describe reasoning for selection):

8. Effective written procedures and controls for this program:		
a) Transit Program Procedures		
b) Title VI Plan, EEO Policy, LEP Policy, Public Participation Plan		
c) Drug and Alcohol Testing Program		
d) Procurement Policy		
e) Asset Management and Maintenance Policy		
	Risk Factor	Your Score
Formal/Written and Distributed to Employees	1	
Informal Policies and Controls	3	
No Policies or Controls	5	
Comments:		

II. Overall Fiscal Assessment		
1. Variations between program expenditures and budget:		
	Risk Factor	Your Score
No variations	1	
Small variations	3	
Large and frequent variations	5	
Comments:		
2. Subrecipient amount of program budget carryover:		
	Risk Factor	Your Score
No carryover	1	
Small amount of carryover	3	
Large amount of carryover	5	
Comments:		
3. Difficulty meeting matching requirements:		
	Risk Factor	Your Score
Always meets matching requirements (No difficulty)	1	
Meets matching requirements most of the time (Some difficulty)	3	
Consistently has difficulty meeting matching requirements	5	
Comments:		

III. Legal Assessment		
1. Does the subrecipient have materially significant lawsuit(s) filed against them? (Obtain all necessary documentation if answer is yes)		
	Risk Factor	Your Score
No previous or current lawsuits	1	
Has previously had a lawsuit	3	
Has a lawsuit	5	
Comments:		
2. Does the subrecipient have any EEO complaints filed against them? (Please provide TDOT Multimodal with contextual details, if not already reported)		
	Risk Factor	Your Score
No previous or current EEO complaints	1	
Has previously had one or more EEO complaints	3	
Has one or more outstanding EEO complaints	5	
Comments:		
3. Since the last risk assessment, does the subrecipient have staff that have been jailed, convicted of a felony or are currently under criminal investigation?		
	Risk Factor	Your Score
No staff jailed, convicted or currently under criminal investigation	1	
Has staff that has been jailed, convicted or is currently under criminal investigation	5	
Comments:		
IV. Monitoring/Audit Assessment		
1. Have there been past Audit findings from the Single Audit (as established in 2 CFR 200 Subpart F)? (list findings status in comments)		
	Risk Factor	Your Score
No material findings	1	
Some findings, not material	3	
Has material findings	5	
Comments:		

2. Have there been any previous audit findings from other audit reports (e.g., a financial audit that is not a Single Audit, Internal Audit Reports, or other comprehensive audits)? (list reports and findings status in comments)

	Risk Factor	Your Score
No material findings	1	
Some findings, not material	3	
Has material findings	5	
Comments:		

3. Has the subrecipient been debarred or suspended? If so, when?

	Risk Factor	Your Score
Never debarred or suspended	1	
Has been debarred or suspended	5	
Comments:		

4. Corrective Action Plans (CAP) and Resolution (Obtain copy)

	Risk Factor	Your Score
No CAPs past or current	1	
Has had CAPs but been resolved on time	3	
Has CAPs and not resolved on time	5	
Comments:		

5. On-site monitoring visits:

	Risk Factor	Your Score
Less than one funding cycle has passed since on-site visit	1	
Less than three funding cycles have passed since on-site visit	3	
More than three funding cycles have passed since on-site visit	5	
Comments:		

V. Financial Systems Assessment		
1. Does the subrecipient have a financial management system in place to track and record program expenditures? (please tell us what system(s) in the comment section)		
	Risk Factor	Your Score
Yes, has financial management system in place	1	
No financial management system in place	5	
Comments:		
2. Is the subrecipient changing, or planning to change, financial management systems? (please tell us what systems you are (considering) transitioning to in the comments)		
	Risk Factor	Your Score
Accounting system identifies receipts and expenditures of program funds separately for each award	1	
Accounting system does not identify receipts and expenditures of program funds	5	
Comments:		
3. Does the accounting system identify the receipts and expenditures of program funds separately for each award?		
	Risk Factor	Your Score
Accounting system identifies receipts and expenditures of program funds separately for each award	1	
Accounting system identifies receipts and expenditures of program funds but does not separate for each award	3	
Accounting system does not identify receipts and expenditures of program funds	5	
Comments:		

4. Does the subrecipient have a time and accounting system to track time and expenditures by activity? (please tell us what systems in the comment section)		
	Risk Factor	Your Score
Yes, subrecipient has a time and accounting system to track time and expenditures by activity	1	
Subrecipient has a time and accounting system but does not track time and expenditures by activity	3	
Subrecipient does not have a time and accounting system to track time and expenditures	5	
Comments:		
5. Per Tennessee Code Annotated § 13-26-109 - Uniform Accounting System - Has the Comptroller of the Treasury developed a uniform accounting system, for your use, that conforms to Generally Accepted Accounting Principles (GAAP) approved by the Commissioner of Finance and Administration?		
	Risk Factor	Your Score
Yes	1	
Not sure	3	
No	5	
Comments:		
6. Per Tennessee Code Annotated § 13-26-110 and § 8-19-101 are all board members, policy council member, employee, officer, or any authorized person of a human resource agency who has authority to make expenditures bonded or otherwise covered by a legally acceptable policy of insurance of such agreement that provides government crime coverage, employee dishonesty coverage, or equivalent coverage that insures the lawful performance by officials and their employees of their fiduciary duties and responsibilities?		
	Risk Factor	Your Score
Yes	1	
Not sure	3	
No	5	
Comments:		

VI. Free Form Comment Section
1. What major issues is your transportation organization currently facing? What major issues do you anticipate in the future? What other risk factors are there for your organization not mentioned above?
Comments:

Total Score:
Director Signature
Date Completed:



RISK ASSESSMENT QUESTIONNAIRE

Agency: _____

I. General Assessment		
1. Recipient experience with State or Federal Funds:		
	Risk Factor	Your Score
5+ years	1	
3-5 years	3	
0-3 years	5	
Comments:		
2. Recipient experience with specific Grant program:		
	Risk Factor	Your Score
5+ years	1	
3-5 years	3	
0-3 years	5	
Comments:		
3. Management or staff turnover or reorganization that affects this program:		
	Risk Factor	Your Score
No turnover or reorganization	1	
Little turnover or reorganization	3	
Significant turnover or reorganization	5	
Comments:		
4. Experience of staff and management assigned to the program:		
	Risk Factor	Your Score
5+ years/funding cycles	1	
2-5 years/funding cycles	3	
Less than 2 years/funding cycles	5	
Comments:		

5. How do you think TDOT will rate recipient timeliness in document submission?

a) Applications

b) Amendments

c) Fiscal or Financial Reporting

d) Budgets/Revisions

e) Procurements

f) Close-out

g) Single Audits and corrective action plans (if applicable)

	Risk Factor	Your Score
On time submission of all documents	1	
Rarely late or sometimes late on some documents	3	
Consistently late on some or all documents	5	

Comments:**6. How do you think TDOT will rate recipient timely response to program/fiscal questions:**

	Risk Factor	Your Score
Always timely in response	1	
Sometimes late in response	3	
Consistently late in response	5	

Comments:**7. Complexity of the business environment or program funding/matching requirements:**

	Risk Factor	Your Score
Simple program requirements and operations environment	1	
Moderately complex program requirements and operations environment	3	
Complex operations environment and program requirements	5	

Comments (describe reasoning for selection):

8. Effective written procedures and controls for this program:		
a) Transit Program Procedures		
b) Title VI Plan, EEO Policy, LEP Policy, Public Participation Plan		
c) Drug and Alcohol Testing Program		
d) Procurement Policy		
e) Asset Management and Maintenance Policy		
	Risk Factor	Your Score
Formal/Written and Distributed to Employees	1	
Informal Policies and Controls	3	
No Policies or Controls	5	
Comments:		

II. Overall Fiscal Assessment		
1. Variations between program expenditures and budget:		
	Risk Factor	Your Score
No variations	1	
Small variations	3	
Large and frequent variations	5	
Comments:		
2. Recipient amount of program budget carryover:		
	Risk Factor	Your Score
No carryover	1	
Small amount of carryover	3	
Large amount of carryover	5	
Comments:		
3. Difficulty meeting matching requirements:		
	Risk Factor	Your Score
Always meets matching requirements (No difficulty)	1	
Meets matching requirements most of the time (Some difficulty)	3	
Consistently has difficulty meeting matching requirements	5	
Comments:		

III. Legal Assessment		
1. Does the recipient have materially significant lawsuit(s) filed against them? (Obtain all necessary documentation if answer is yes)		
	Risk Factor	Your Score
No previous or current lawsuits	1	
Has previously had a lawsuit	3	
Has a lawsuit	5	
Comments:		
2. Does the recipient have any EEO complaints filed against them? (Please provide TDOT Multimodal with contextual details, if not already reported)		
	Risk Factor	Your Score
No previous or current EEO complaints	1	
Has previously had one or more EEO complaints	3	
Has one or more outstanding EEO complaints	5	
Comments:		
3. Since the last risk assessment, does the recipient have staff that have been jailed, convicted of a felony or are currently under criminal investigation?		
	Risk Factor	Your Score
No staff jailed, convicted or currently under criminal investigation	1	
Has staff that has been jailed, convicted or is currently under criminal investigation	5	
Comments:		
IV. Monitoring/Audit Assessment		
1. Have there been past Audit findings from the Single Audit (as established in 2 CFR 200 Subpart F)? (list findings status in comments)		
	Risk Factor	Your Score
No material findings	1	
Some findings, not material	3	
Has material findings	5	
Comments:		

2. Have there been any previous audit findings from other audit reports (e.g., a financial audit that is not a Single Audit, Internal Audit Reports, or other comprehensive audits)? (list reports and findings status in comments)

	Risk Factor	Your Score
No material findings	1	
Some findings, not material	3	
Has material findings	5	
Comments:		

3. Has the recipient been debarred or suspended? If so, when?

	Risk Factor	Your Score
Never debarred or suspended	1	
Has been debarred or suspended	5	
Comments:		

4. Corrective Action Plans (CAP) and Resolution (Obtain copy)

	Risk Factor	Your Score
No CAPs past or current	1	
Has had CAPs but been resolved on time	3	
Has CAPs and not resolved on time	5	
Comments:		

5. On-site monitoring visits:

	Risk Factor	Your Score
Less than one funding cycle has passed since on-site visit	1	
Less than three funding cycles have passed since on-site visit	3	
More than three funding cycles have passed since on-site visit	5	
Comments:		

V. Financial Systems Assessment		
1. Does the recipient have a financial management system in place to track and record program expenditures? (please tell us what system(s) in the comment section)		
	Risk Factor	Your Score
Yes, has financial management system in place	1	
No financial management system in place	5	
Comments:		
2. Is the recipient changing, or planning to change, financial management systems? (please tell us what systems you are (considering) transitioning to in the comments)		
	Risk Factor	Your Score
Accounting system identifies receipts and expenditures of program funds separately for each award	1	
Accounting system does not identify receipts and expenditures of program funds	5	
Comments:		
3. Does the accounting system identify the receipts and expenditures of program funds separately for each award?		
	Risk Factor	Your Score
Accounting system identifies receipts and expenditures of program funds separately for each award	1	
Accounting system identifies receipts and expenditures of program funds but does not separate for each award	3	
Accounting system does not identify receipts and expenditures of program funds	5	
Comments:		

4. Does the recipient have a time and accounting system to track time and expenditures by activity? (please tell us what systems in the comment section)

	Risk Factor	Your Score
Yes, recipient has a time and accounting system to track time and expenditures by activity	1	
Recipient has a time and accounting system but does not track time and expenditures by activity	3	
Recipient does not have a time and accounting system to track time and expenditures	5	

Comments:

5. Per 2 CFR 200 and 1201 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - does the recipient have a uniform accounting system that conforms to Generally Accepted Accounting Principles (GAAP)?

	Risk Factor	Your Score
Yes	1	
Not sure	3	
No	5	

Comments:

6. Is there a code of conduct for board members, employees, officers, or any authorized person of the transportation agency which requires disciplinary action up to and including termination of services to ensure the lawful and ethical performance by agency officials and employees of their fiduciary duties and responsibilities?

	Risk Factor	Your Score
Yes	1	
Not sure	3	
No	5	

Comments:

VI. Free Form Comment Section

1. What major issues is your transportation organization currently facing? What major issues do you anticipate in the future? What other risk factors are there for your organization not mentioned above?

Comments:

Total Score:

Director Signature

Date Completed:

**TENNESSEE DEPARTMENT OF
TRANSPORTATION**

STATE-AID OFFICE

(TDOT State Aid Roads and Bridges)



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

FINANCE DIVISION
SUITE 800, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2261

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

Date: August 22, 2023

To: Lisa Dunn, Transportation Manager 1
TDOT State Aid Roads and Bridges

From: Carla Spann, Fiscal Director 1
TDOT Finance / External Audit

Re: Letter of Understanding for 2024 Grant/Subrecipient Monitoring Responsibilities
Between TDOT State Aid Roads and Bridges (TDOT State Aid) and TDOT Fiscal
Monitoring Group

TDOT's grant/subrecipient monitoring activities involve oversight and coordination by TDOT program areas and TDOT Finance/Fiscal Monitoring Group. The purpose of this letter is to document the division of responsibilities in monitoring activities between TDOT State Aid and TDOT Fiscal Monitoring Group for the monitoring year of 2024 (October 1, 2023 – September 30, 2024).

The division of monitoring responsibilities will follow the compliance requirement areas identified in 2 CFR part 200, Appendix XI (the Compliance Supplement). In addition, monitoring will include Title VI/Nondiscrimination Compliance as required per the State of Tennessee Central Procurement Office Policy Number 2013-007.

For monitoring year 2024, the Fiscal Monitoring Group will issue a single department-wide report for each grantee/subrecipient monitored by the Fiscal Monitoring Group listing all grants/contracts that were monitored across all TDOT program areas.

In order to avoid duplication of efforts, the Fiscal Monitoring Group will not include testing in their work in the areas identified as being reviewed by the TDOT State Aid. Our review work will only include observed documentation to the effect that TDOT State Aid has performed the monitoring in the areas identified.

Compliance Requirement Areas

Activities Allowed or Unallowed – Monitored by TDOT State Aid

The form used to request payment contains a section specifically stating that the local government official has reviewed the costs and activities submitted for reimbursement. By their signature, the local government indicates the activities invoiced are allowable under the contract and grant. On construction related projects, the Construction Engineering and Inspection (CEI) inspector may also sign indicating his assurance that activities were allowable. The TDOT State Aid employee also has a place to sign indicating his/her review of the submitted activities and his/her agreement with the local government officials' assessment.

The approving signature of the TDOT State Aid employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has verified that all items are allowable under the contract and all applicable federal and state regulations related to the grant/contract.

Allowable Costs/Cost Principles – Monitored by TDOT Finance/Fiscal Monitoring Group

Cash Management – Monitored by TDOT Finance/Fiscal Monitoring Group

Wage Rate Requirements/Davis-Bacon Act – Not Applicable

This compliance requirement area is not applicable to grants/contracts with TDOT State Aid as grant contracts administered through TDOT State Aid do not contain federal funding.

Eligibility – Not Applicable

The TDOT State Aid grants/contracts are issued for the public good. There are no requirements related to individuals or organizations receiving eligible benefits.

Equipment and Real Property Management – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT State Aid

This compliance requirement is not always applicable. When it is applicable, the Fiscal Monitoring Group will request a copy of the inventory records. The Fiscal Monitoring Group will monitor for compliance related to completeness/accuracy of the inventory records. If a field visit is performed, the Fiscal Monitoring Group will physically observe equipment (on a sample basis).

It should be noted that specific equipment and/or real property management procedures related to the award and/or nature of the program should be monitored by the TDOT program area. If there are requirements associated with preventative maintenance, the TDOT Program Area will be responsible for monitoring for preventative maintenance compliance. In addition, since the Fiscal Monitoring Group does not always perform field visits, the TDOT Program Area should not rely on the Fiscal Monitoring Group for any compliance requirements associated with physical inventory and/or physical inspections.

Matching, Level of Effort, Earmarking – Monitored by TDOT Finance/Fiscal Monitoring Group

Period of Performance – Monitored by TDOT Finance/Fiscal Monitoring Group

Procurement and Suspension & Debarment – Monitored by TDOT Finance/Fiscal Monitoring Group

Program Income – Not Applicable

Reporting – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT State Aid

The Fiscal Monitoring Group will monitor for compliance with financial reporting requirements required by contract language. TDOT State Aid will monitor for compliance with programmatic reporting requirements.

Note: The Annual and Final Reports (required in most grant contract language) will be considered programmatic reports monitored by TDOT State Aid. TDOT Finance/Fiscal Monitoring Group will continue to monitor the Disbursement Reconciliation and Close Out Report (required in most grant contract language) as a financial reporting requirement required by contract language.

Special Tests and Provisions – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT State Aid

This compliance requirement is not always applicable. When applicable, the Fiscal Monitoring Group will monitor for any special tests and provisions that are fiscal in nature. TDOT State Aid will monitor for compliance with reporting requirements that are programmatic in nature.

Title VI/Nondiscrimination Compliance – Monitored by TDOT State Aid and TDOT Civil Rights Office

TDOT State Aid will work closely with the TDOT Civil Rights Office to ensure that Title VI/Nondiscrimination requirements are met. The signature of the approving TDOT State Aid employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

If we have stated the procedures and documentation processes correctly, and you are willing to accept our assertions on your behalf in a single department-wide audit report, please sign below.

Thank you,



Carla Spann
External Audit Fiscal Director



Lisa Dunn
TDOT State Aid Roads and Bridges, Transportation Project Manager 1

INTRODUCTION

The State-Aid Office is a part of the Environmental and Planning Bureau within the Tennessee Department of Transportation. Their function is to assist Local Governments in the administration of projects utilizing state funds.

Interim Director: Daniel Pallme

Transportation Manager: Lisa Dunn

OFFICE RESPONSIBILITIES:

- Inform Local Governments of available funding allocations annually.
- Review bridge grant applications requests and coordinate project activities with Local Agencies and regional state-aid coordinators.
- Develop and secure execution of inter-agency agreements for project implementation
- Provide guidance and assistance in project implementation
- Review and process reimbursement requests for correctness and eligibility
- Provide a single source of contact for local management of state funded projects
- Provide assistance and resources to local governments in the local management of state-funded projects
- Review and process materials for local governments for locally-managed state-funded projects
- Maintain the State-Aid and Bridge Grant Guideline manuals.
- Disseminate TDOT policies and procedures to local governments.
- Administer the federal off-system bridge funding only for balances and those projects being administered by the Department.

Monitoring Guides:

To accomplish these goals the State-Aid Office has developed two manuals titled State-Aid Guidelines and 1990 Bridge Grant Guidelines. [These](#) manuals are currently under review by TDOT leadership.

STAFF DEDICATED TO STATE-AID MONITORING:

Full-time monitoring staff:

- 1 Transportation Manager 1
- 4 Sr. Transportation Project Specialists (1 in each region)
- 4 Transportation Project Specialists (1 in each region)
- 1 Transportation Program Monitor

Program Descriptions:

CFDA 20.205 Highway Planning and Construction (Federal-Aid Highway Program)

Federal Highway Administration-Department of Transportation

The purpose of this program is to assist State transportation agencies in the planning and development of an integrated and interconnected transportation system. It includes the construction and rehabilitation of the National Highway System including the interstate system and for improvements to all public roads except those classified as local.

Federal-aid highway funds are generally apportioned by statutory formulas to the States. They are generally restricted to roads open to the public and not classified as local. Exceptions to this include planning and research activities, bridge, bicycle and pedestrian, safety improvements which may be done on any public road, transportation enhancement activities, recreational trails program, and the Federal Lands Highway Program. Federal-aid funds may be used for surveying, engineering, right-of-way acquisition, relocation assistance for capital improvement projects classified as new construction, reconstruction, improvements for functional, geometric or safety reasons, restoration, rehabilitation, resurfacing, planning, research, and other areas.

Projects in urban areas of 50,000 or more population must be based on a transportation planning process carried out by the Metropolitan Planning Organization (MPO) in cooperation with the State and transit operators, and be included in metropolitan plans and programs. All projects must be included in the approved Statewide Transportation Improvement Program (STIP) and are developed as part of the required Statewide transportation planning process.

PROGRAMS AVAILABLE FOR LOCAL GOVERNMENTS

State Aid Road

- Used to fund locally-managed repair or maintenance projects on State Aid designated roads in county jurisdictions. Funds are appropriated to each county. Funding: 98% state / 2% local

State Aid Bridge

- Used to fund locally-managed bridge repair / maintenance projects. Funds are appropriated to each county. Funding: 98% state / 2% local

Federal Bridge Replacement and Rehabilitation Program

- For the replacement and rehabilitation of deficient bridges that are located off the state and interstate system of highways.
- When funding is available, TDOT selects bridges for replacement from the bridge replacement list. The number of bridges to be replaced is governed by the amount of federal bridge replacement funding available.
- Projects are funded with 80% federal funds.
- If the project is administered by the local government, the local government pays project expenses and submits itemized requests for reimbursement with supporting data.

High Priority Bridge Replacement Program (HPBRP)

- The HPBRP, per TCA § 54-4-601, provides funding for priority bridges not located on the State system of highways, known as off-system bridges, for local governments meeting the eligibility requirements in TCA § 54-4-504(c).
- This program can pay up to 100% of the total project cost. It can be used alone or in combination with other bridge programs to rehabilitate or replace off-system bridges in Tennessee.
- If the project is administered by the local government, the local government pays project expenses and submits itemized requests for reimbursement with supporting data.

RISK ASSESSMENTS:

The State-Aid Office uses the standard risk assessment form for each project prior to the awarding of grant contracts. The risk assessment is completed and filed during the initiation/eligibility determination phase. Risk assessments will also be completed annually for each subrecipient. The risk assessment evaluates the amount of the grant, the number of active grants, prior monitoring results, staff changes, and prior experience. The level of risk is designated a number (0 being the lowest risk / 25 being the highest).

Agency Information

TDOT PIN #: _____

Project Description: _____

Sub-recipient Name: _____ County: _____

Contact Person: _____

Agency Address: _____

Phone Number: _____

Risk Categories**1. Total contract funds available for grant**

Enter Points

\$100,000 or less	\$100,001 – \$300,000	\$300,001 – \$500,000	\$500,001 – \$1,000,000	\$1,000,001 or more
1 point	2 points	3 points	4 points	5 points

2. Total number of Local Program grants/contracts the sub-recipient has open/active/let administered by Local Programs (including state let)

Enter Points

2	3 – 4	5 – 6	7 – 9	10 or more
1 point	2 points	3 points	4 points	5 points

3. Results of prior monitoring or projects

Enter Points

0 Findings	1-2 Findings	3-5 Findings	6 or more Findings
0 points	1 point	3 points	5 points

4. Effect of staff changes on project implementation

Enter Points

No Effect	Low Effect	Medium Effect	High Effect
0 points	1 point	3 points	5 points

5. Experience with Local Program state contracts

Enter Points

10 years or more	6 – 9 years	3 – 5 years	2 years or less	Completely New
1 point	2 points	3 points	4 points	5 points

TOTAL RISK ASSESSMENT SCORE =

0

Risk Level - (0 - 10 = Low) (11 - 19 = Medium) (20 - 25 = High)

Risk Assessment Conducted by: _____

Title: _____

Date of Review: _____

2023 MONITORING RESULTS/CORRECTIVE ACTION PLAN:

The State-Aid Office's process is set up to address issues and findings as they arise.

**PROGRAM MONITORING PLAN
FOR THE
DEPARTMENT OF TRANSPORTATION
TRAFFIC OPERATIONS DIVISION**

Submitted by:

Michelle Nickerson, P.E., PTOE, Civil Engineering Manager 1
Traffic Operations Division / Traffic Engineering Office
James K. Polk Building, 18th Floor
505 Deaderick Street
Nashville, TN 37243
Phone: (615) 741-0894



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

FINANCE DIVISION
SUITE 800, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2261

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

Date: August 14, 2023

To: Lee J. Smith, Interim Director
TDOT Traffic Operations Division

From: Carla Spann, Fiscal Director 1
TDOT Finance / External Audit

Re: Letter of Understanding for 2024 Grant/Subrecipient Monitoring Responsibilities
Between TDOT Traffic Operations Division and TDOT Fiscal Monitoring Group

TDOT's subrecipient monitoring activities involve oversight and coordination by TDOT program areas and TDOT Finance/Fiscal Monitoring Group. The purpose of this letter is to document the division of responsibilities in monitoring activities between TDOT Traffic Operations Division (TDOT Traffic Operations) and TDOT Fiscal Monitoring Group for the monitoring year of 2024 (October 1, 2023 – September 30, 2024).

TDOT's approach will involve monitoring both state and federal funding in a similar manner. The division of monitoring responsibilities will follow the compliance requirement areas identified in 2 CFR part 200, Appendix XI (the Compliance Supplement). In addition, monitoring will include Title VI/Nondiscrimination Compliance as required per the State of Tennessee Central Procurement Office Policy Number 2013-007.

For the monitoring year 2024, the Fiscal Monitoring Group will issue a single department-wide report for each grantee/subrecipient monitored by the Fiscal Monitoring Group listing all grants/contracts that were monitored across all TDOT program areas.

In order to avoid duplication of efforts, the Fiscal Monitoring Group will not include testing in their work in the areas identified as being reviewed by TDOT Traffic Operations. Our review work will only include observed documentation to the effect that TDOT Traffic Operations has performed the monitoring in the areas identified.

Compliance Requirement Areas

Activities Allowed or Unallowed – Monitored by TDOT Traffic Operations

The approving signature of the TDOT Traffic Operations employee on the request for payment will indicate that he/she has reviewed all items submitted on the request for payment and has

verified that all items are allowable under the contract and all applicable federal and state regulations related to the grant/contract.

Allowable Costs/Cost Principles – Monitored by TDOT Finance/Fiscal Monitoring Group

Cash Management – Monitored by TDOT Finance/Fiscal Monitoring Group

Wage Rate Requirements/Davis-Bacon Act – Monitored by TDOT Traffic Operations

Note: In the Compliance Supplement, compliance with the Wage Rate Requirements/Davis-Bacon Act is included in Special Tests and Provisions. However, TDOT will take the approach to monitor the Wage Rate Requirements/Davis Bacon Act as a separate compliance requirement area. This approach is being taken in order to ensure that there is no confusion in the division of responsibilities in monitoring activities.

This compliance requirement area will be applicable on certain construction projects. The signature of the TDOT Traffic Operations employee on the request for payment will indicate that he/she has reviewed this compliance requirement area.

Eligibility – Monitored by TDOT Traffic Operations

This compliance requirement area is not always applicable. When applicable, the approving signature of the TDOT Traffic Operations employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area has been performed.

Equipment and Real Property Management – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Traffic Operations

This compliance requirement is not always applicable. When applicable, the Fiscal Monitoring Group will request a copy of the inventory records. The Fiscal Monitoring Group will monitor for compliance related to the completeness/accuracy of the inventory records. If a field visit is performed, the Fiscal Monitoring Group will physically observe equipment (on a sample basis).

It should be noted that specific equipment and/or real property management procedures related to the Federal award and/or nature of the program should be monitored by the TDOT program area. The TDOT program area should review any required preventative maintenance procedures for compliance with applicable standards. In addition, since the Fiscal Monitoring Group does not always perform field visits, the TDOT program area should take the lead on performing physical inventory as required by 2 CFR 200.313. Any reporting on real property required under 2 CFR 200.329 will be monitored by the TDOT program area.

Matching, Level of Effort, Earmarking – Monitored by TDOT Finance/Fiscal Monitoring Group

Period of Performance – Monitored by TDOT Finance/Fiscal Monitoring Group

Procurement and Suspension & Debarment – Monitored by TDOT Finance/Fiscal Monitoring Group

Program Income – Monitored by TDOT Finance/Fiscal Monitoring Group

Reporting – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Traffic Operations

The Fiscal Monitoring Group will monitor for compliance with financial reporting requirements required by contract language. TDOT Traffic Operations will monitor for compliance with reporting requirements that are programmatic in nature and with any specific reporting requirements related to the Federal grant and/or program(including reporting requirements under 2 CFR 200.328).

Note: The Annual and Final Reports (required in most grant contract language) will be considered programmatic reports monitored by TDOT Traffic Operations. TDOT Finance/Fiscal Monitoring Group will monitor the Disbursement Reconciliation and Close Out Report (required in most grant contract language) as a financial reporting requirement required by contract language.

Special Tests and Provisions – Monitored by TDOT Finance/Fiscal Monitoring Group and TDOT Traffic Operations

This compliance requirement is not always applicable. When applicable, the Fiscal Monitoring Group will monitor for any special tests and provisions that are fiscal in nature. TDOT Traffic Operations will monitor for any special tests and provisions that are related to the Federal grant and/or are programmatic in nature.

Title VI/Nondiscrimination Compliance – Monitored by TDOT Traffic Operations and TDOT Civil Rights Office

TDOT Traffic Operations monitors for compliance with Title VI/Nondiscrimination. TDOT Traffic Operations will work with the TDOT Civil Rights Office to monitor Title VI/Nondiscrimination if needed to ensure monitoring related to this compliance requirement. The approving signature of the TDOT Traffic Operations employee on the request for payment will indicate that compliance with monitoring in this compliance requirement area is satisfactory.

If we have stated the procedures and documentation processes correctly, and you are willing to accept our assertions on your behalf in a single department-wide audit report, please sign below.

Thank you,



Carla Spann
External Audit Fiscal Director



Lee Smith (Aug 28, 2023 11:18 CDT)

Lee J. Smith
Interim Director, TDOT Traffic Operations Division

Background and General Description

On December 4, 2015, President Obama signed into law Public Law 114-94, the Fixing America's Surface Transportation Act (FAST Act). The FAST Act funds surface transportation programs—including, but not limited to, Federal-aid highways—at over \$305 billion for fiscal years (FY) 2016 through 2020. It is the first long-term surface transportation authorization enacted in a decade that provides long-term funding certainty for surface transportation. This summary reviews the policies and programs of the FAST Act administered by the Federal Highway Administration (FHWA).

The FAST Act established the Advanced Transportation and Congestion Management Technologies Deployment Program to make competitive grants for the development of model deployment sites for large scale installation and operation of advanced transportation technologies to improve safety, efficiency, system performance, and infrastructure return on investment. The FAST Act funds the program (up to 50% of the project costs) through a set-aside from the Highway Research and Development, Technology and Innovation Deployment, and Intelligent Transportation System Research Programs.

Grant recipients may use funds under this program to deploy advanced transportation and congestion management technologies, including—

- advanced traveler information systems;
- advanced transportation management technologies;
- infrastructure maintenance, monitoring, and condition assessment;
- advanced public transportation systems;
- transportation system performance data collection, analysis, and dissemination systems;
- advanced safety systems, including vehicle-to-vehicle and vehicle-to-infrastructure communications;
- technologies associated with autonomous vehicles, and other collision avoidance technologies, including systems using cellular technology;
- integration of intelligent transportation systems with the Smart Grid and other energy distribution and charging systems;
- electronic pricing and payment systems; or
- advanced mobility and access technologies, such as dynamic ridesharing and information systems to support human services for elderly and disabled individuals. [23.U.S.C. 503(c)(4)(E)]

A grant recipient may use up to 5% of the funds awarded each fiscal year to carry out planning and reporting requirements under the program. [23 U.S.C. 503(c)(4)(L)]

Grant Monitoring Procedures

TDOT Traffic Operations Division monitoring activities for the ATCMTD Grant award consists of

- Reviewing invoices as received for allowable costs.
- On call consultant task orders and in house staff to inspect deliverables upon completion.

Staff and Organization

Staff dedicated to ATCMTD Grant monitoring responsibilities as a part of their total monitoring responsibilities:

- Traffic Operations Division Director
- TOD ATCMTD Project Manager

Risk Assessments

This grant is a reimbursement grant requiring supplemental documentation for all expenses. Risk of misuse of grant funding is minimal. Risk is largely derived from the potential for inaccurate performance reporting or falsified invoices by recipients, or the inability to properly monitor reimbursement requests by TDOT staff.

Monitoring Results/Corrective Action Plan

- There are currently no corrective actions identified.
- The corrective action processes will require a case by case review of activities determined ineligible in consultation with the project inspectors and the Authority.