Introductory Webinar

August 20, 2020, 2:00-3:00 PM ET
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Agenda

• National RTAP Overview
• Speaker Introductions
• Training Background and Acknowledgements
• Content Overview
• How to Access and Utilize the Materials
• Questions
National RTAP Overview and Introductions
National Rural Transit Assistance Program

• Technical assistance center funded by FTA through Section 5311
• Managed by the Neponset Valley Transportation Management Association
• National RTAP offices are located in MA and DC
• Free training materials and technical assistance products and services for rural and tribal transit providers and state RTAPs
• Review Board – state DOT and rural/tribal transit staff
• Learn more at nationalrtap.org
Speaker Introductions

Richard Garrity
Senior Associate
RLS & Associates, Inc.

Todd Hansen
Research Scientist
Texas A&M Transportation Institute
This new manual is based on a 2006 manual, which was:

- Written by Richard Garrity of RLS & Associates
- Sponsored by National RTAP
- In partnership with the American Association of State Highway Transportation Officials (AASHTO)'s Multi-State Technical Assistance Program (MTAP)
Manual Development

- Completely rewritten by Mr. Garrity, with significant new content added from many years working in the field
- TTI researchers contributed supplementary material, oversaw publication, and developed Instructor Materials
- Advanced topics chapters currently under review:
  - Service-Based Cost Allocation
  - Pricing and Operating Services Under Agreements with Third Parties
- Potential future eLearning version of the course
Acknowledgements

- We wish to thank and acknowledge the contributions of members of the National RTAP Review Board, including:
  - Marcele Edington, Michigan Department of Transportation, Lansing, MI
  - Katharine Mitchell, Regional Transportation Authority of Pima County, Tucson, AZ
  - Amy Rast, Vermont Agency of Transportation, Barre, VT
  - Kari Ruse, Nebraska Department of Transportation, Lincoln, NE
  - Curtis Sims, Jr., CSSO, South Carolina Department of Transportation, Columbia, SC
• What best describes your role at your organization?
  o Transit Manager/Director/CEO
  o Transit Finance/Grants Manager
  o Other Transit Agency Staff
  o State RTAP Manager or Designee
  o State Transit Program/Grants Manager
  o Transit Association Staff
Content Overview
• Covers federal requirements, practical suggestions, and typical issues facing rural transit managers

• Provides training on OMB cost principles, grant management procedures, and audit requirements applicable to all FTA grants

• For staff from rural and small urban transit agencies, tribal transit programs, specialized transportation providers, and state DOTs
Why is this manual needed?

• Finances are at the core of every enterprise, from purchasing supplies, to paying staff, and ultimately, delivering value to stakeholders - which in transit are the passengers and the community.

• This manual is designed to help rural, small urban, and tribal transit agencies improve their financial management practices and thereby provide a better service.
Benefits of Financial Management

Good financial management helps transit agencies:

- Make effective and efficient use of resources.
- Achieve objectives and fulfill commitments to stakeholders.
- Become more accountable to donors and other stakeholders.
- Gain the respect and confidence of funding agencies, partners, and beneficiaries.
- Gain advantage in competition for increasingly scarce resources.
- Protect the assets of the organization.

- Ensure the maintenance of accurate records of the organization’s financial activities.
- Prepare for long-term financial sustainability.
- Serve as a training resource for staff.
- Ensure compliance with federal, state, and local legal and reporting requirements.
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Chapters
1. Introduction
2. Super Circular (2 CFR Part 200)
3. Foundation Elements: Accounting and Chart of Accounts
4. Understanding Direct and Indirect Costs
5. Cost Allowability Under FTA Awards
6. Local Match to FTA Grant Awards
7. Contributions and Donations
8. Cash Management
9. NTD Reporting Requirements
10. Audit

Appendices
• Model Chart of Accounts
• Glossary of Terms
• Quiz Answers
• Class Exercises
• References and Resources
This chapter reviews:

• The benefits and principles of good financial management
• Elements of effective financial management systems
• The roles of organizational leaders and senior managers in financial management
• Potential risks of insufficient internal controls
• Key questions to consider during financial planning

In the long run managements stressing accounting appearance over economic substance usually achieve little of either.

- Warren Buffett
This chapter reviews:

- The role of OMB in federal grant management and guidance circulars
- Goals and major changes from OMB’s Uniform Guidance (2 CFR Part 200), commonly known as the Super Circular
- Guidance on cost principles
- Applicable credits and rebates
- Terms such as non-federal entities, grantees, recipients, subrecipients, contractors, and vendors
- The concept of profit under federal awards
- Audit and auditee responsibilities
This chapter reviews:

- Basic financial system for recipients of federal grant funds
- Identification of internal controls
- Chart of accounts structure
- Uniform System of Accounts (USOA)
- The role of the chart of accounts in serving transit management needs
Chapter 4: Understanding Direct and Indirect Costs

This chapter reviews:

- Concepts of direct and indirect costs for federal grant awards
- Illustrations of typical transit costs that are direct and indirect
- The process for claiming indirect costs
- Options for preparing an indirect cost rate proposal (ICRP)
- How to determine the cognizant agency for indirect costs
This chapter reviews:

- Uniform standards of cost allowability under federal awards
- Documentation needed to claim salary and wage costs under federal awards
- Other considerations in determining cost allowability under federal awards
- Cost categories under FTA funding programs

Cost allowability is a fundamental element in any transit system’s financial management practices.
Chapter 6: Local Match to FTA Awards

This chapter reviews:

- Federal guidelines for the matching requirement under federal grant awards
- Unique matching requirements under FTA grant awards
- Limitations on the transfer of funds from other FTA programs for match
- Special match provisions under the Section 5311(f) Intercity Bus Program
Chapter 7: Contributions and Donations

This chapter reviews:

• Types of donations and contributions that can be used as local match

• The valuation methods an entity must employ in assigning a value to the donation or contribution

• What is and is not considered program income

Example Valuation of Volunteer Driver Services

A transit agency primarily uses paid drivers, but will use some volunteer driver services when such services are available. During the most recent billing period, volunteer drivers committed 40.5 hours of labor. The agency computes the average hourly wage of its entire driver workforce to be $11.27 per hour. The agency concludes that this rate represents an amount “consistent with those paid for similar work.” The transit agency would be able to use $456.44 as the value of the donated services and use this amount as local match:

40.5 hours × $11.27 (Rate Paid for Similar Work) = $456.44

Source: 2 CFR §200.306(e)
Chapter 8: Cash Management

This chapter reviews:

- Best practices in cash handling
- Procedures for rural transit agencies that do not use fareboxes
- Appropriate internal controls for smaller agencies with limited staff in handling, recording, and depositing cash
Chapter 9: NTD Reporting Requirements

This chapter reviews:

• National Transit Database history
• What NTD data is used for
• Grant reporting for the NTD
• NTD reporting requirements for Section 5311 funding recipients
• Key rural reporting issues

Source: www.transit.dot.gov/ntd
This chapter reviews:

• The requirements that dictate the preparation of a single audit
• What must be counted toward the audit threshold
• Responsibilities of the auditee in the single audit process
How to Access and Utilize the Materials
Training Components

• Learner’s Guide
  • 260 page manual available for download or order
  • Quizzes, Additional Resources, and Appendices
  • Model Chart of Accounts, Glossary, Quiz Answers, Class Exercises, and References

• Instructor Materials
  • Available to download in a zip file or order on a disc
  • PowerPoints for each chapter
  • Slides with a notes section to print for handouts
  • Certificate of Completion
  • Course Evaluation
How to Access the Materials

1. On nationalrtap.org go to Resource Center > Resource Library
2. In the Resource Library, search for Financial Management
How to Access the Materials (Cont.)

- Click on the titles for more information
- Click the Download or Add to Cart icons to download or have it shipped
- To complete your shipment order, it will prompt you to log into your Resource Share/Cloud Account
- Or use the links in the upper right of our website to email, call, or chat with us and request copies
How to Utilize the Training Materials

- For self-guided study and reference or instructor-led course
- Instructor-led course – suggest 12+ hours of training time to cover all content
- Instructor notes are included in the PPT, but instructors should be familiar with the content before delivering the training
Questions?
Post-Webinar Survey

• Please provide us with feedback about this webinar at: https://app.keysurvey.com/f/41513839/4789/

• The survey should take less than five minutes to complete

• Questions or comments about the Financial Management Manual can be sent to etaylor@nationalrtap.org
National Rural Transit Assistance Program

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