

MCKINNEY UTD TRANSIT  
SUBRECIPIENT MONITORING PROCEDURES AND PLAN

**Introduction**

As a direct recipient and pass-through entity of federal awards, City of McKinney is required to ensure subrecipient compliance with certain federal and grantor requirements.

A subrecipient is an organization that is provided federal funds by a grantee or direct recipient for its use in carrying out agreed-upon eligible activities. The term “subrecipient” also includes the term “subgrantee” but does not include “third-party contractor” or “third party subcontractor”. The organization which receives the funding is undertaking activities which are supported by the grantee. Such an organization is authorized, by its articles of incorporation charter, and/or experience, to conduct the activities for which it will receive federal funding. It does not have to be procured in the same manner as a contractor; in fact, such an organization may be, and usually is, “designated” by the grantee.

**Purpose**

The purpose of the Subrecipient Monitoring Procedures is to accomplish the following:

1. Meet federal requirements for oversight of subrecipients.
2. Provide guidelines for City of McKinney and subrecipients.
3. Ensure that all technical specifications and contract requirements are met by subrecipients.
4. Monitor compliance of federally-funded assets that are maintained by subrecipients, leased to service providers, or maintained under contract by other than City of McKinney employees.
5. Monitor milestone progress reporting, identify any performance issues and address them in a timely manner
6. Track information regarding performance and quality for the purposes of evaluating subrecipients for future procurements and grants.

This document explains methods of monitoring, persons responsible, frequency and expected deliverables associated with subrecipient oversight. City of McKinney will update the document as federal rules and requirements change.

**McKinney Administration Roles & Responsibilities**

The following general procedures outline the roles and responsibilities of grant management in determining federal subrecipients and reporting on those subrecipient awards. After a subrecipient project has been selected for award through project selection processes, the project is submitted for inclusion (if a project doesn't currently already exist) in the Transportation Improvement Program (TIP), the Regional and State Transportation Program (STIP) and grant application executed with the Federal Transit Administration (FTA), and an Interlocal Agreement (ILA) / Subrecipient Agreement is executed.

City of McKinney Staff is responsible for administering these tasks and will coordinate with McKinney's Finance, Budget, and Legal teams and the NCTCOG (NCTCOG), the Metropolitan Planning Organization for this region, for STIP approval. DART is responsible for drafting a subrecipient agreement who will submit to MUTD for review and approval. The Agreement is specific for the FTA funding program and is the mechanism for grant management including McKinney's access to the subrecipient's records and financial statements. Once the interlocal/subrecipient agreement is executed, McKinney will retain one agreement and send copies to all subrecipients.

City of McKinney's Transit Department staff will notify Finance that the grant has been executed and provide a copy of the grant agreement. City of McKinney staff will setup the grant in the agency's financial system identifying the FTA Activity Line (ALI) items, establish a unique grant code that designates a federally funded grant project, activity and Catalog of Federal Domestic Assistance (CFDA) number. Spending cannot begin on a grant-funded project until the FTA grant agreement and Interlocal Agreement/Subrecipient Agreement have been executed. All awards over \$25,000 are also filed in the Federal Sub-Award Reporting System (FSRS). The City of McKinney's Transit Department staff is responsible for completing this reporting requirement.

### **Subrecipient Agreement**

City of McKinney will work with all applicable departments and agency subject matter experts that play a key role in financial and project management and oversight in advance of finalizing a subrecipient agreement. The subrecipient is also expected to include all parties involved in the project and execution of the agreement early in the process so that they stay informed of the requirements and understand the oversight process.

Federal requirements will be stated in the agreement, including the information required by 2 CFR part 200 (refer to Appendix A for a list of these requirements) and incorporating the FTA Master Agreement by reference to meet the requirement to include all federally required clauses. In addition, the agreement should include any applicable references for data collection needs for a variety of compliance monitoring needs.

Prior to execution of the subrecipient agreement City of McKinney will:

1. Obtain lobbying certifications (if agreement exceeds \$100,000) and
2. Confirm that the subrecipient is not suspended/debarred (if agreement exceeds \$25,000)

When the agreement is executed, the subrecipient agrees to comply with all applicable Federal requirements and understands it will be subject to ongoing monitoring and oversight by City of McKinney. The subrecipient agrees to follow the FTA Master Agreement and federal circulars and requirements in place at the time of execution of the grant.

City of McKinney's Transit Department will maintain all pertinent information its subrecipients including contact information, source and amount of funds, and summary project information for inclusion into required FTA reports. All relevant information

related to the oversight of each subrecipient should be easily and quickly identified, complete and readily available. Information will be kept within the City of McKinney's Transit Department files.

City of McKinney cannot release funds without an executed grant and subrecipient agreement and if the subrecipient award is over \$25,000, City of McKinney's Transit Department will report to FSRs at [www.FSRs.gov](http://www.FSRs.gov) by the end of the month following the month that the subrecipient agreement was signed.

### **Monitoring**

City of McKinney monitors subrecipient activities necessary to ensure that federal awards are used for authorized purposes; are in compliance with laws, regulations, and agreements and performance goals are achieved. Specifically, City of McKinney's Transit Department is responsible for ensuring that executed grant awards are administered properly to ensure that grant funds are used for intended purposes, in accordance with laws and regulations, and lead to agreed-upon results. City of McKinney's Transit Department staff are the agency's main points of contact for subrecipient management and monitoring. Effective management and oversight increases the likelihood that grants will remain eligible and contribute to achieving agency and subrecipient goals and outcomes. When managing subrecipients, staff will:

1. Work with Legal teams to develop and execute subrecipient agreement(s).
2. Monitor the financial status of grants and project activity.
3. Ensure results through milestone and performance reporting.
4. Evaluate subrecipient risk to determine level of monitoring and oversight.
5. Work with the subject area experts to complete required subrecipient monitoring.

DART as subrecipient will handle project management. DART will receive invoice and documentation from contractors and send invoice and report package to City of McKinney for reimbursement. The City of McKinney's Transit Department will review all FTA subrecipient requests for reimbursement using the approved FTA Invoice Review Checklist (Appendix D). This will ensure all required supporting documents are submitted and that all requests are eligible for reimbursement using FTA funds. All invoices will be reviewed to ensure only eligible expenses are charged to FTA grants. If a subrecipient invoices for indirect costs they must have had prior approval and an approved Cost Allocation Plan (CAP). Senior management approval is required for the final invoice review at close out. Once reviewed and approved invoice requests will be sent by City of McKinney's Transit Department to Finance for payment processing. All reimbursement requests are fully documented and reviewed prior to the disbursement of funds.

Depending on the nature/size of the subrecipient, award/scope of work and assessed risk level, City of McKinney will determine the type and frequency of oversight and reporting required under the grant agreement. Reports (submitted and evaluated monthly, bi-monthly, quarterly, or other) will be used to monitor federal compliance, project status and grant spending. Areas to provide oversight may include (where applicable) but are not

limited to: procurement (City of McKinney requires review and approval of procurement and contract documents); Title VI; Disadvantaged Business Enterprise; Drug and Alcohol, ADA, satisfactory continuing control, maintenance, NEPA; and grant administration. City of McKinney will document its oversight and monitoring progress. The Subrecipient Risk Assessment Questionnaire (Appendix B) template helps determine risk level of the subrecipient administering a federal grant. High scores correspond to high risk subrecipients and more in-depth and frequent monitoring. The Subrecipient Monitoring Frequency and Monitoring Steps (Appendix C) outlines the methodology for determining frequency and monitoring steps.

### **Fiscal monitoring**

The timely receipt of financial records and reports from subrecipients is necessary for City of McKinney to effectively monitor the financial status of grants. Ineffective grant monitoring increases the risk of improper payments and untimely grant expenditures and may result in the misuse or waste of funds. City of McKinney has various tools to monitor the financial status of grants, including grant accounting and cash management procedures (these are available upon request). Fiscal monitoring includes, but is not limited to:

- Reviewing bills, invoices or other fiscal documentation
- Comparing budgets and/or budget limits to actual costs
- Obtaining reasonable documentation that services charged to the subaward were actually delivered according to the contract
- Comparing bills with supporting documentation to determine that costs were allowable, necessary and/or allocable according to the policies of the federal program and the terms of the subrecipient agreement.

When reviewing invoices City of McKinney's Finance team verifies that the charges:

- Occurred within the grant period of performance
- Are eligible under the grant (award) and allowable under Federal regulations per 2 CFR 200 Subpart E
- Supported with adequate documentation
- Are not duplicate charges

For adequate documentation the invoice submitted to City of McKinney must have enough information so that someone unrelated to the grant could determine that the charges were appropriate. Such information would include documentation such as progress report or work statements, invoices for support services and materials, certification by the subrecipient that the work has been satisfactorily rendered, copies of the original bills, invoices, expense accounts, and miscellaneous supporting data retained by the subrecipient including, but not limited to work records, rates, material and equipment costs, and list of names, hours worked, and wage information.

City of McKinney will review all subrecipient requests for reimbursement using the Subrecipient Invoice Review Checklist and Form (Appendix D). This will ensure all required supporting documents are submitted and all requests are eligible for reimbursement under the grant. City of McKinney will review invoices to ensure only

eligible expenses are charged to the grant. If a subrecipient invoices for indirect costs, they must have had prior approval and an approved Cost Allocation Plan. The subrecipient will use the City of McKinney Subrecipient Invoice Review Checklist and Form as the coversheet for all invoices (Appendix D).

### **Communication Education & Training**

Effective communication is important for project success. To assist with establishing roles and contacts, the Communication and Outreach Protocol (Appendix J) and the Subrecipient Staff Roles and Contact Information (Appendix K) documents should be kept up to date. As the main point of contact for subrecipients, the City of McKinney's Transit Department provides regular communication, support, and guidance to subrecipients and other City of McKinney staff to assist with understanding federal requirements and practical ways to comply with grant requirements. As part of this communication, City of McKinney's Transit Department identifies areas that the subrecipient may need clarification and training, prepares and distributes written guidelines (e.g., FTA circulars, etc.) related to grant compliance. City of McKinney's Transit Department also addresses compliance related inquiries from subrecipients and project related staff. When applicable, Transit Department will provide or inform of training opportunities for the subrecipients in the form of meetings, workshops, webinars, distribution of grant-related materials such as applicable FTA circulars, Regional Bulletins, and other grant guidance.

### **Site Visits**

Subrecipients will receive on-site compliance reviews. The frequency and effort depends on the level of risk and length of the funding agreement.

Elements of an On-site review entails the following:

- Review team requests subrecipient documents and sets up on-site meeting
- Subrecipient sends information to recipient
- Review team examines information using FTA Triennial Review guide and circulars
- Review team sends list of potential issues to subrecipient as preparation for on-site visit
- Conduct on-site review with subrecipient

Activities covered during On-site review:

- Entrance conference
- Interviews and review of outstanding documentation
- Visits and inspect federally funded facilities, vehicles and other major assets (where applicable)
- Preliminary findings of deficiency
- Exit conference

At the exit conference, the preliminary findings of the deficiency will be distributed by the review team and discussed with the subrecipient along with proposed corrective actions (a corrective action plan) and dates for completion. The subrecipient should advise if any comments have been misstated or if there are any obstacles to the implementation of corrective actions.

### **Closeout**

Grant closeout is the term used to signify the process by which all activities in a grant are complete and/or federal funds have been expended. City of McKinney will conduct a formal grant closeout review before closing out any subrecipient agreements. A review ensures all requirements have been met and properly documented, and that all requests for reimbursement have been processed. Final reimbursements will be held until subrecipient agreement closeout has been initiated. The subrecipient must submit all closeout documentation within 45 days of the completion of all activities in the grant. The results of the closeout review will be documented in a final status report for the project/subrecipient. A summary of the closeout activity will be included in the final progress report.

### **Annual Financial Audit Review**

Subrecipients that receive \$750,000 or more in federal funds in any year (from all federal sources) must have an annual single audit or program specific audit conducted by an independent audit in accordance with 2 CFR 200. The FTA specifically requires audits when the total of Federal funds received are equal to or greater than \$750,000. Single Audits of subrecipients will be retrieved by City of McKinney's Finance team from the Federal Audit Clearinghouse Internet Data Entry System. Finance will also use audit results to determine the level of risk and if additional review is required in the site visit(s).

Appendix A - Subrecipient Agreement Information required by 2 CFR part 200

Appendix B - Subrecipient Risk Assessment Questionnaire

Appendix C - Subrecipient Monitoring Frequency and Monitoring Steps

Appendix D - Subrecipient Invoice Review Checklist and Form

Appendix E - Monthly Subrecipient Report Form

Appendix F - Quarterly DBE & TITLE VI Report Form

Appendix G - Quarterly Subrecipient Report Form (FTA Quarterly Report Elements per C5010.IE, Chapter III)

Appendix H - Federal Reference Documents

Appendix I - FTA Triennial Review Workbook Areas of Compliance

Appendix J - Communication and Outreach Protocol

Appendix K - Subrecipient Staff Roles and Contact Information

Appendix L - Subrecipient Reporting Schedule

Appendix M - Areas for Subrecipient Review

Appendix A - Subrecipient Agreement Information required by 2 CFR part 200

Required Agreement Information	Comment
Federal award identification	
Subrecipient name (which must match the name associated with its unique entity identifier)	
Subrecipient's unique entity identifier (DUNS)	
Federal award identification number (FAIN)	
Federal award date of award to the recipient by the Federal agency	
Subaward period of performance start and end date	
Amount of Federal funds obligated by this action by the pass-through entity to the subrecipient	
Total amount of Federal funds obligated to the subrecipient by the pass-through entity including the current obligation	
Total amount of the Federal award committed to the subrecipient by the pass-through entity	
Federal award description as required to be responsive to the Federal Funding Accountability and Transparency Act	
Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity	
Catalog of Federal Domestic Assistance (CFDA) number and name; the pass-through entity must identify the dollar amount made available under each Federal award	
Identification of whether the award is research and development (R&D)	
Indirect cost rate for the Federal award (including if the application of the de minimis rate per §200.414 Indirect (F&A) costs)	

Required Agreement Information	Comment
<b>Pass-through Requirements:</b>	
All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award, i.e. federally required clauses	
Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports	
Indirect Costs: If a federally approved indirect cost rate is negotiated between the subrecipient and the Federal government, this rate must be used. If no such rate exists, the subrecipient may either negotiate a rate with the pass-through entity and the subrecipient (in compliance with this part), or elect the de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f), if eligible.	
A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part	
Appropriate terms and conditions concerning closeout of the subaward	



## Appendix B - Subrecipient Risk Assessment Questionnaire

What is Risk Assessment? 2CFR 200.331 requires an evaluation of the risk that a subrecipient has in complying with the Federal statutes, regulations and the terms and conditions of the subaward from a grantee. This evaluation will help determine the level of monitoring required by City of McKinney. This questionnaire will be used to assist in the evaluation of risk associated with sub-granting state and/or federal funds.

### *Risk Assessment Questionnaire Template*

<b>I. GENERAL ASSESSMENT</b>	
<b>1. Subrecipient experience with State or Federal Funds:</b>	
	<b>Risk Factor</b>
5+ years	<b>1</b>
3-5 years	<b>3</b>
0-3 years	<b>5</b>
Comments:	
<b>2. Subrecipient experience with specific Grant program:</b>	
	<b>Risk Factor</b>
5+ years	<b>1</b>
3-5 years	<b>3</b>
0-3 years	<b>5</b>
Comments:	
<b>3. Management or staff turnover or reorganization that affects this program:</b>	
	<b>Risk Factor</b>

No turnover or reorganization	1
Little turnover or reorganization	3
Significant turnover or reorganization	5
Comments:	
<b>4. Experience of staff and management assigned to the program:</b>	
	<b>Risk Factor</b>
5+ years/funding cycles	1
2-5 years/funding cycles	3
Less than 2 years/funding cycles	5
Comments:	
<b>5. Subrecipient timeliness in document submission:</b>	
Applications	
Amendments	
Fiscal or Financial Reporting	
Budgets/Revisions	
Close-out	
A-133 audits and corrective action (if applicable)	
	<b>Risk Factor</b>
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:	
<b>6. Subrecipient timely response to program/fiscal questions:</b>	
	<b>Risk Factor</b>
Always timely in response	1
Sometimes late in response	3
Consistently late in response	5
Comments:	
<b>7. Complexity of the business environment or program funding/matching requirements:</b>	
	<b>Risk Factor</b>
Simple program requirements and operations environment	1
Moderately complex program requirements and operations environment	3
Complex operations environment and program requirements	5
Comments:	
<b>8. Effective written procedures and controls for this program:</b>	
	<b>Risk Factor</b>
Formal/Written and Distributed to Employees	1
Informal Policies and Controls	3
No Policies or Controls	5

Comments:	
<b>II. OVERALL FISCAL ASSESSMENT</b>	
<b>1. Variations between expenditures and budget:</b>	
	<b>Risk Factor</b>
No variations	<b>1</b>
Small variations	<b>3</b>
Large and frequent variations	<b>5</b>
Comments:	
<b>2. Subrecipient amount of budget carryover:</b>	
	<b>Risk Factor</b>
No carryover	<b>1</b>
Small amount of carryover	<b>3</b>
Large amount of carryover	<b>5</b>
Comments:	
<b>3. Difficulty meeting matching requirements:</b>	
	<b>Risk Factor</b>
Always meets matching requirements (No difficulty)	<b>1</b>
Meets matching requirements most of the time (Some difficulty)	<b>3</b>
Consistently has difficulty meeting matching requirements	<b>5</b>
Comments:	
<b>III. LEGAL ASSESSMENT</b>	
<b>1. Does the subrecipient have or previously had a lawsuit(s) filed against them? (Obtain all necessary documentation if answer is yes)</b>	
	<b>Risk Factor</b>
No previous or current lawsuits	<b>1</b>
Has previously had a lawsuit	<b>3</b>
Has a lawsuit	<b>5</b>
Comments:	
<b>2. Subrecipient staff that have been jailed, convicted of a felony or are currently under criminal investigation:</b>	
	<b>Risk Factor</b>
No staff jailed, convicted or currently under criminal investigation	<b>1</b>
Has staff that has been jailed, convicted or is currently under criminal investigation	<b>5</b>
Comments:	

<b>IV. MONITORING/AUDIT ASSESSMENT</b>	
<b>1. Past Audit findings from the A-133 Audit or any other Internal Audit:</b>	
	<b>Risk Factor</b>
No material findings	<b>1</b>
Some findings, not material	<b>3</b>
Has material findings	<b>5</b>
Comments:	
<b>2. Have there been any previous audit findings (i.e. other comprehensive audit, Internal Audit)?</b>	
	<b>Risk Factor</b>
No material findings	<b>1</b>
Some findings, not material	<b>3</b>
Has material findings	<b>5</b>
Comments:	
<b>3. Has the subrecipient been debarred or suspended? If so, when?</b>	
	<b>Risk Factor</b>
Never debarred or suspended	<b>1</b>
Has been debarred or suspended	<b>5</b>
Comments:	
<b>4. Corrective Action Plans (CAP) and Resolution (Obtain copy)</b>	
	<b>Risk Factor</b>
No CAPs past or current	<b>1</b>
Has had CAPs but been resolved on time	<b>3</b>
Has CAPs and not resolved on time	<b>5</b>
Comments:	
<b>5. On-site monitoring visits:</b>	
	<b>Risk Factor</b>
Less than one funding cycle has passed since on-site visit	<b>1</b>
Less than three funding cycles have passed since on-site visit	<b>3</b>
More than three funding cycles have passed since on-site visit	<b>5</b>
Comments:	
<b>6. Abbreviated Compliance Review findings:</b>	
	<b>Risk Factor</b>
Compliant	<b>1</b>
Noncompliant	<b>5</b>
Comments:	

<b>V. FINANCIAL SYSTEMS ASSESSMENT</b>	
<b>1. Does the sub-recipient have a financial management system in place to track and record program expenditures</b> (Examples: QuickBooks, Visual Bookkeeper, Peachtree, or a Customer Proprietary System)	
	Risk Factor
Yes, has financial management system in place	1
No financial management system in place	5
Comments:	
<b>2. Does the accounting system identify the receipts and expenditures of program funds separately for each award?</b>	
	Risk Factor
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 <b>not</b> identify receipts and expenditures of program funds	5
Comments:	
<b>3. Does the sub-recipient have a time and accounting system to track time and expenditures by cost objective?</b>	
	Risk Factor
Yes, subrecipient has a time and accounting system to track time and expenditures by cost objective	1
Subrecipient has a time and accounting system but does not track time and expenditures by cost objective	3
Subrecipient does <b>not</b> have a time and accounting system to track time and expenditures	5
Comments:	

Appendix C - Subrecipient Monitoring Frequency and Monitoring Steps

Monitoring activities will include reviewing and approving subrecipient invoices for reimbursement, developing project status information for inclusion in the quarterly Milestone Progress Report and Federal Financial Report, conducting formal on-site compliance reviews, and managing closeout activities.

Monitoring Step Process		Low	Medium	High
1	Subrecipient identification and initial monitoring needs assessment	All subrecipients	All subrecipients	All subrecipients
2	Elaboration of FTA Requirements and Subrecipient Guidelines	All subrecipients	All subrecipients	All subrecipients
3	FTA Subrecipient Funding Agreement execution	All subrecipients	All subrecipients	All subrecipients
4	Ongoing FTA subrecipient monitoring, including:	Monthly	Monthly	Monthly
	4.1 Invoice reviews			
	4.2 Reporting requirements	Quarterly	Quarterly	Monthly
5	Formal compliance reviews	Annual Review only policies and procedures that have changed	Annual Review only policies and procedures that have changed	Bi-Annual Review only policies and procedures that have changed
	5.1 Desk review of submitted documents <i>(for the first visit review all policies and procedures)</i>			
	5.2 On-site review	Every 24 months	Every 18 months	Every 6-12 months
	5.3 Compliance review report	Modified version for desk top, full for on-site	Modified version for desk top, full for on-site	Modified version for desk top, full for on-site
	5.4 Corrective action monitoring	Where necessary	Where necessary	Where necessary
6	Closeout	All subrecipients at project end	All subrecipients at project end	All subrecipients at project end

\*\* monitoring frequency may vary based on risk assessment and progress of the subrecipient through the life of the grant

## Appendix D - Subrecipient Invoice Review Checklist and Form

### FTA Subrecipient Invoice Review Checklist

<b>Contract/Recipient Number</b>		<b>Invoice Number</b>	
<b>Project Title</b>		<b>Invoice Date(s)</b>	
<b>Subrecipient</b>		<b>Invoice Value</b>	
<b>Purchase Order #</b>		<b>Actual Local Match</b>	%
<b>Contract Value</b>		<b>Payments to Date</b>	
<b>Project Manager</b>		<b>Division</b>	

*Type of Contract*

- Fixed Price
- Fixed Unit Price
- T&M
- Construction Management Services

*Payment Terms*

- Milestone  Yes  No
- Progress  Yes  No
- Emergency  Yes  No

*Applicable Wage Rates*

- Davis Bacon

1. Supporting Documentation		Comments
<b>a. Project Description</b> (Invoice #1)	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A	
<b>b. Project Location</b> (Invoice #1)	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A	
<b>c. Project Site Photos</b> (where applicable)	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A	
<b>d. Vendor / Contract Invoices</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A	
<b>e. Purchase Orders</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A	
<b>f. Cancelled Checks or proof of</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	

payment with payment date	<input type="checkbox"/> N/A	
h. Operating costs (from Ledger in Financial system)	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A	
i. Cost estimate update (Invoice #1)	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A	
2. Invoice - Format as per Contract	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>3. Review of Rates</b>		
a. Complies with Contract Pricing Including Local Match Level	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b. Reflects Current Wage Rates	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4. Performance within Terms of Contract	<input type="checkbox"/> Yes <input type="checkbox"/> No	
5. Complies with Established Contract Cost/ Price	<input type="checkbox"/> Yes <input type="checkbox"/> No	



<b>6. If Subrecipient had invoiced indirect costs, have they...</b>		
a) Had prior approval?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
b) An approved Cost Allocation Plan (CAP)? And, do the invoiced indirect costs follow the agreed CAP?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

**7. Costs Questioned:**

Type	Value	Allowable Cost?	Comments
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	

8. Retainage \$ \_\_\_\_\_ % 9. Costs approved \_\_\_\_\_

Approval	Signature	Date
Project Manager		

Appendix E - Monthly Subrecipient Report Form

<b>Subrecipients:</b>	Dallas Area Rapid Transit
<b>Project:</b>	Collin County Transit (McKinney UTD)
<b>Funding Agency:</b>	<b>Notes</b>
Date of Monthly Report Submission	

Please provide an update on the status of the project. Updates should include the following:

- Work plan deliverables (scope of work)
- Milestone status, as relevant
- Vendor/Contract Invoices
- Detailed Project Description
- Briefing of project meetings conducted
- Briefing of public meetings conducted
- NEPA Status, if relevant NEPA finding determined
- Overview of any issues that have arisen or are anticipated
- Projection of work plan and meetings for the next quarter
- Operating costs from Ledger in Financial system

Per Federal Register Vol 79/ No 171 FTA Transit Oriented Development Planning Pilot Program requirement for work plan submission to FTA at quarterly report time.

Appendix F - Quarterly DBE & Title VI Report Form

The City of McKinney’s Transit Department will review program progress on a quarterly basis. The completed report will include the following areas and will be reviewed by the Transit Department, who will clarify any information with the subrecipient if necessary. The City of McKinney’s Transit Department will also ensure that this information is included in quarterly reports to FTA.

- Please provide an update on the status of any DBE contracts on the project.
- Have there been any Title VI complaints associated with this project filed during this time period?

<b>Subrecipients:</b>	Dallas Area Rapid Transit
<b>Project:</b>	Collin County Transit (McKinney UTD)
<b>Funding Agency:</b>	<b>Notes</b>
Date of Report Submission	

## Appendix G - Quarterly Subrecipient Report Form

The City of McKinney’s Transit Department will review program progress on a quarterly basis. The completed report will include the following areas and will be reviewed by the Transit Department, who will clarify any information with the subrecipient if necessary. The City of McKinney’s Transit Department will also ensure that this information is included in quarterly reports to FTA.

Examples of Items to Include in Quarterly Report:

- Project Schedule including original and current completion dates
- Funding table for each ALI including fiscal year, original planned allocation, current estimates, actual expenditures, and remaining allocation
- Corrective Action Plan, if necessary, including updates for any delayed projects

<b>Subrecipients:</b>	Dallas Area Rapid Transit
<b>Project:</b>	Collin County Transit (McKinney UTD)
Date of Quarterly Report Submission:	1st Qtr due Jan 15th 2nd Qtr due April 15 3rd Qtr due July 15 4th Qtr due Oct 15 (if the due date falls on a weekend, submit the next business day)
<b>QUESTION</b>	<b>RESPONSE</b>
Current status of each open ALI within the active/executed grant.	
A narrative description of projects, status, any problems encountered in implementation, specification preparation, bid solicitation, resolution of protests, and contract awards.	
Detailed discussion of all budget or schedule changes.	
The dates of expected or actual requests for bid, delivery, etc.	
Actual completion dates for completed milestones.	
Revised estimated completion dates when original estimated completion dates are not met.	
Explanation of why scheduled milestones or completion dates were not met.	
Analysis of significant project cost variances. Completion and acceptance of equipment and construction or other work should be discussed, together with a breakout of the costs incurred and those costs required to complete the project. Use quantitative measures, such as hours worked, sections completed, or units delivered.	

A list of all outstanding claims exceeding \$100,000, and all claims settled during the reporting period. This list should be accompanied by a brief description, estimated costs, and the reasons for the claims.	
A list of all potential and executed change orders and amounts exceeding \$100,000, pending or settled, during the reporting period. This list should be accompanied by a brief description.	
A list of claims or litigation involving third party contracts and potential third party contracts that: a) Have a value exceeding \$100,000, b) Involve a controversial matter, irrespective of amount, or c) Involve a highly publicized matter, irrespective of amount.	
A list of all real property acquisition actions, including just compensation, property(s) under litigation, administrative settlements, and condemnation for each parcel during the reporting period.	
<b>In addition, please include the following:</b>	
Project Schedule including original and current completion dates	
Funding table for each ALI including fiscal year, original planned allocation, current estimates, actual expenditures, and remaining allocation	
CAP including updates for any delayed projects	
Updated Risk Assessment Questionnaire (Appendix B) should accompany the report	

Appendix H - Federal Reference Documents

1. [FTA Master Agreement](#)
2. [49 CFR 18.37](#)
3. [FTA Certifications & Assurances](#)
4. [FTA Best Practices & Procurement Manual](#)
5. [Comprehensive FTA Triennial Review Guide](#)

Appendix I - FTA Triennial Review Workbook Areas of Compliance

<b>Compliance Area</b>	<b>Basic Requirement (per the 2017 FTA Triennial Review Workbook)</b>
Financial Management and Capacity	The grantee must demonstrate the ability to match and manage Federal Transit Administration (FTA) grant funds, cover cost increases and operating deficits, cover maintenance and operational costs for FTA funded facilities and equipment, and conduct and respond to applicable audits.
Technical Capacity	The grantee must be able to implement Federal Transit Administration (FTA)-funded projects in accordance with the grant application, FTA Master Agreement, and all applicable laws and regulations, using sound management practices.
Maintenance	Grantees and subrecipients must keep federally funded vehicles, equipment, and facilities in good operating condition. Grantees and subrecipients must keep Americans with Disabilities Act (ADA) accessibility features on all vehicles, equipment, and facilities in good operating order.
Americans with Disabilities Act (ADA)	Titles II and III of the Americans with Disabilities Act of 1990 (ADA) 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.
Title VI	The grantee 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. The grantee must ensure that federally supported transit services and related benefits are distributed in an equitable manner.
Procurement	Grantees use their own procurement procedures that reflect applicable state and local laws and regulations, provided that the process ensures competitive procurement and the procedures conform to applicable Federal law, including 49 CFR Part 18, (repealed effective December 26, 2014), 2 CFR Part 1201, incorporating 2 CFR Part 200 (specifically Sections 200.317-200.326), and Federal Transit Administration (FTA) Circular 4220.1F, "Third Party Contracting Guidance."
Disadvantaged Business Enterprise (DBE)	The grantee must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of U. S. Department of Transportation (US DOT)-assisted contracts. Grantees also must create a level playing field on which DBEs can compete fairly for US DOT-assisted contracts.
Legal	The grantee must be eligible and authorized under state and local law to request, receive, and dispense Federal Transit Administration (FTA) funds and to execute and administer FTA-funded projects.
Satisfactory Continuing Control	The grantee must ensure that Federal Transit Administration (FTA)-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition.
Planning/Program of Projects	The grantee must participate in the transportation planning process in accordance with Federal Transit Administration (FTA) requirements, Moving Ahead for Progress in the 21st Century (MAP-21), and the metropolitan and statewide planning regulations. Each recipient of a Section 5307 grant shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a program of projects (POP).
Public Comment on Fare Increases and Major Service Reductions	Section 5307 grantees are expected to have a written, locally developed process for soliciting and considering public comment before raising a fare or carrying out a major transportation service reduction.
Half Fare	For fixed-route service supported with Section 5307 assistance, fares charged seniors, persons with disabilities or an individual presenting a Medicare card

	during off peak hours will not be more than one half the peak hour fares.
Charter Bus	Grantees are prohibited from using federally funded equipment and facilities to provide charter service if a registered private charter operator expresses interest in providing the service. Grantees are allowed to operate community based charter services excepted under the regulations.
School Bus	Grantees are prohibited from providing exclusive school bus service unless the service qualifies and is approved by the Federal Transit Administration (FTA) Administrator under an allowable exemption. Federally funded equipment or facilities cannot be used to provide exclusive school bus service. School tripper service that operates and looks like all other regular service is allowed.
Security	As recipients of Section 5307 funds, grantees must annually certify that they are spending at least one percent of such funds for transit security projects or that such expenditures for security systems are not necessary.
Drug Free Workplace and Drug and Alcohol Program	Grantees are required to maintain a drug free workplace for all grant-related employees and to have an ongoing drug-free awareness program. Grantees receiving Section 5307, 5309, 5311, or 5339 funds that have safety-sensitive employees must have a drug and alcohol testing program in place for such employees.
Equal Employment Opportunity	The grantee must ensure that no person in the United States 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 Federal financial assistance under the Federal transit laws. (Note: Equal Employment Opportunity Commission's regulation only identifies/recognizes religion and not creed as one of the protected groups.)



## Appendix J - Communication and Outreach Protocol

<b>Subrecipients:</b>		Dallas Area Rapid Transit	
<b>Project:</b>		Collin County Transit (McKinney UTD)	
Please route all communications through to Akia Pichon, Transit Administrator			
<b>Staff Name</b>	<b>Title</b>	<b>Role/ Key Area of Focus</b>	<b>Contact Information</b>
Akia Pichon	Transit Administrator	Transit program POC	<a href="mailto:apichon@mckinneytexas.org">apichon@mckinneytexas.org</a> 972-547-3497
Janay Tieken	Housing & Community Development Manager	Grant administration	<a href="mailto:jtieken@mckinneytexas.org">jtieken@mckinneytexas.org</a> 972-547-7578



Appendix M - Areas for Subrecipient Review

<b>Compliance Area</b>	<b>Capital Projects</b>	<b>Transit</b>	<b>Planning</b>	<b>JARC &amp; New Freedom</b>
Financial Management and Capacity	All subrecipients	All subrecipients	All subrecipients	All subrecipients
Technical Capacity	All subrecipients	All subrecipients	All subrecipients	All subrecipients
Maintenance	All subrecipients with FTA funded facilities	All Subrecipients with FTA funded rolling stock or FTA funded facilities	All subrecipients with FTA funded facilities	All Subrecipients with FTA funded rolling stock or FTA funded facilities
ADA	All subrecipients	All subrecipients	All subrecipients	All subrecipients
Title VI	All subrecipients	All subrecipients	All subrecipients	All subrecipients
Procurement	All subrecipients	All subrecipients	All subrecipients	All subrecipients
DBE	All subrecipients with procurements	All subrecipients All subrecipients with procurements	All subrecipients with procurements	All subrecipients with procurements
Legal	All subrecipients	All subrecipients	All subrecipients	All subrecipients
Satisfactory Continuing Control	All subrecipients	All subrecipients	All subrecipients	All subrecipients
Planning/Program of Projects	All subrecipients receiving 5307	All subrecipients receiving 5307	All subrecipients receiving 5307	
Public Comments on Fare Increases and Major Service Reductions		All subrecipients receiving 5307		
Half Fare		All subrecipients operating fixed route services		All subrecipients operating fixed route services
Charter Bus		All subrecipients		All subrecipients
School Bus		All subrecipients		All subrecipients
Security	All subrecipients receiving 5307	All subrecipients receiving 5307		
Drug and Alcohol Program	All subrecipients with safety sensitive employees	All subrecipients with safety sensitive employees		All subrecipients with safety sensitive employees
Equal Employment Opportunity	All subrecipients (that meet threshold)	All subrecipients (that meet threshold)	All subrecipients (that meet threshold)	All subrecipients (that meet threshold)

Appendix L - Subrecipient Reporting Schedule

<b>Subrecipients:</b>		Dallas Area Rapid Transit	
<b>Project:</b>		Collin County Transit (McKinney UTD)	
<b>Report/Action</b>	<b>Frequency</b>	<b>Notes</b>	<b>Recipient</b>
Project Update & Projection	monthly		McKinney POC
Submit Invoice	monthly		McKinney POC
Quarterly Reports for FTA	Quarterly (if the due date falls on a weekend, submit the next business day)	1st Qtr due Jan 15th 2nd Qtr due April 15th 3rd Qtr due July 15th 4th Qtr due Oct 15th	McKinney POC
Risk Assessment	annual		McKinney POC
Compliance Review	annual	McKinney will schedule 12 month time frame for review.	NA
Closeout	once	McKinney will coordinate closeout.	NA