

Revision #:	1
Implementation Date:	3/1/2022
Last Revision Date:	1/2/2021

Spokane Transit Authority

Section 5310 Subrecipient Billing

Standard Operating Procedures

Purpose

In accordance with 2 CFR Part §200.305, the purpose of these procedures is to ensure that only costs that are *reasonable, allowable, and allocable* to a Federal award shall be charged to that award directly or indirectly. Specifically, these procedures shall apply to the preparation and submission of billings submitted for reimbursement by Section 5310 subrecipients.

Scope

Intended for use by STA staff directly involved in administering the FTA Section 5310 program. The order of priority shall follow the outline in this document (Billing Procedures, Reasonableness Criteria, Allowable Use of Funds, Criteria for Allowability, Billing Documentation, etc.).

Prerequisites

- FTA C Circular 5010.1E – Award Management Requirements
- 2 CFR Part 200 – (Specifically, Subpart E – Cost Principles)
- Spokane Transit Section 5310 Program Management Plan, as amended

Responsibilities

- Assistant Transit Planner: will use this document as a guide to conduct daily activities to include reviewing billing invoices for eligibility, processing invoices, providing technical assistance to subrecipients, and other duties as assigned.
- Principal Transit Planner: will keep this SOP up-to-date and current for use, review and approve reimbursement requests, and provide training and support to the Assistant Transit Planner.
- Director of Planning and Development: Review and approve revisions to the SOP prior to implementation.
- Sr. Accounting/Finance Manager: will periodically review requests for payment to confirm that appropriate documentation has been provided prior to requesting reimbursement from the grant(s). This will include verifying the local share (match) contribution stipulated in the agreement(s) between Spokane Transit and its subrecipients.

Billing Procedures

The following policies shall apply to the preparation and submission of billings by Section 5310 subrecipients:

1. Reimbursements shall be requested after the expenditures have been incurred.

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2. To ensure timely spend down of grant funding, reimbursements shall be made on a monthly basis, *unless prior written approval is provided by the Spokane Transit Authority.*
3. Requests for reimbursement shall be submitted using the 'Section 5310 Project Billing Workbook' provided to the subrecipient by Spokane Transit Authority (see Billing Documentation Section below for details).
4. Requests for reimbursement will include actual amounts posted to the subrecipient's general ledger (as the primary source for all invoice amounts).
5. Requests for reimbursement shall clearly delineate the amount (and source) of all matching funds.

Reasonableness Criteria

It is the policy of the Spokane Transit Authority to only reimburse subrecipient expenses that have been determined to be reasonable per 2 CFR Part 200.404 as follows:

"...In determining reasonableness of a given cost, consideration will be given to:

(a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.

(b) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws, and regulations; and terms and conditions of the Federal award.

(c) Market prices for comparable goods or services for the geographic area.

(d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.

(e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost..."

Subrecipients who have questions regarding reasonableness of project costs are encouraged to contact STA *prior* to incurring the cost. Costs that are considered unreasonable will not be reimbursed.

Allowable Use of Funds

Segregating Unallowable from Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable for each Section 5310 subrecipient agreement.

Prior to the first disbursement, the Assistant Planner will:

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1. Review the executed agreement and the Section 5310 Project Billing Workbook (specifically, the Budget Narrative) for costs that are eligible for reimbursement.
2. Be familiar with the allowability of cost provisions of 2 CFR Part 200 Subpart E – Cost Principles, particularly:
 - a. The list of specifically unallowable costs such as alcoholic beverages, bad debts, contributions, fines, and penalties, lobbying, etc.
 - b. Any costs requiring advance approval from the FTA in order to be allowable in accordance with §200.407.

Prior to entering invoices into the STA accounting system (Tyler MUNIS), the Assistant Planner shall:

1. Verify that the expenses have been determined to be allowable under the terms of the executed agreement and/or 2 CFR Part 200 Subpart E – Cost Principles (see Criteria for Allowability below).
2. Verify that the reimbursement directly supports activities listed in the Scope of Work of the executed agreement and the progress report.
3. Verify that the invoices included in the reimbursement request are for specific line items included in the approved Section 5310 Invoice and Budget Reporting Workbook and Budget Narrative.
4. Verify that a general ledger account has been established in the subrecipient's chart of accounts to reflect the categories of allowable costs identified in the executed agreement.
5. Verify that any items of miscellaneous income or credits (including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items) shall be reflected as reductions in allowable expenditures - if the credit relates to charges that were previously reimbursed.
6. Verify match contributions are correct and correspond with prior written confirmation (source and amount).
7. Determine if there are significant variances between actual and budgeted expenditures (greater or less than 10%). *These variances will be discussed with and resolved by the Principal Transit Planner prior to entering the invoice into MUNIS.*
8. Verify that the billing is reconciled and then entered in the Section 5310 Project Billing Ledger.
9. Prepare an Approval Routing Form for a Supervisor's signature. This form shall include:
 - a. FTA Award Number
 - b. STA Grant Agreement Number
 - c. Term of Agreement
 - d. Section 5310 Project Billing Workbook Budget Narrative Monthly Reimbursement page signed by the Agency Official
 - e. Section 5310 Project Billing Ledger
 - f. A description of the Indirect Cost Rate (if used) and STA approval date
 - g. Supporting Documentation (see below)
10. Combine the Approval Routing Form, Invoice & Budget Reporting Workbook, invoice, supporting documentation, and billing ledger.
11. Include verifications, received date stamp, certification stamp, and project string on the billing packet.
12. Route the billing packet via email for electronic signature by the Principal Transit Planner, or their absence, the Director of Planning and Development.

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Criteria for Allowability

It is the policy of STA to only reimburse expenses that have been determined to be allowable per executed agreements and 2 CFR Part 200 Subpart E – Cost Principles, General Provisions for Selected Items of Cost §200.420 - §200.476.

Billing Documentation

Requests for reimbursement shall be signed by an authorized official of the subrecipient organization using the Section 5310 Invoice and Budget Reporting Workbook provided to the subrecipient by Spokane Transit Authority. Subrecipients will be required to submit a written explanation to address any line items in the Invoice & Budget Reporting Workbook that are not within 10% of the month's variance. This explanation shall be submitted along with the reimbursement request for the month that the variance occurs. The applicable page (for the month) shall be submitted electronically to Section5310@spokanetransit.com and will include supporting documentation as follows:

Salaries and Benefits – Time sheets and personnel activity reports shall serve as the basis for charging salaries and benefits directly to the Section 5310 project award.

Subrecipients are required to submit copies of time sheets and accompanying personnel activity reports with billing requests which reflect all project/program(s) directly benefitting from their time and effort. These time sheets shall be signed by both the employee and the employee's supervisor.

Mileage – Copies of mileage sheets which detail the date, purpose, miles driven, and unique participant identifier shall be submitted with each request for reimbursement. Mileage will be reimbursed at the applicable Federal rate.

Equipment – Copies of invoices.

Equipment purchased for exclusive use on the federal award and reimbursed by STA shall be accounted for as a direct cost of that award (i.e., such equipment shall not be capitalized and depreciated).

Other Costs – Other project costs (e.g., office supplies, marketing expenses, rent, utilities, etc.) must be identified in the executed agreement and/or project budget. Copies of invoices.

Subrecipients will be required to submit a Monthly Beneficiary Data Report on the 20th day of each month. This report will be required to process the reimbursement requests.

(Local) Cost Sharing and Matching Funds Requirements

Any shared costs (matching funds), including cash and third-party in-kind contributions, will be accepted as part of the Section 5310 subrecipient's (local) cost share or matching requirement when such contributions meet all the following criteria:

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1. They are verifiable through written confirmation from the awarding entity.
2. They are necessary and reasonable for accomplishment of the STA Section 5310 project objectives.
3. They are allowable under 2 CFR Part 200, Subpart E – Cost Principles.
4. They are not paid by the Federal government under another Federal award, except where authorized by Federal statute to be used for cost sharing or matching.
5. They are accounted for in the Section 5310 project application (and/or budget) approved in advance by STA.
6. They conform to all other provisions of 2 CFR Part 200.

It is the policy of STA to value contributed services and property that are to be used to meet a (local) cost share or matching requirement at its fair market value at the time of contribution unless the executed agreement (or FTA regulations) identify specific values to be used. The value of donated space will not exceed the local fair market rental value of comparable space as established by an independent appraisal of comparable space and facilities.

Contributed volunteer services furnished by third parties used for (local) cost sharing or matching purposes shall be valued at rates consistent with rates paid for similar work in the Spokane area labor market. Reimbursement for contributed volunteer expenses (e.g., mileage) shall be documented in a manner acceptable to STA.

Subrecipient Invoice Processing & Notices

Requests for reimbursement will be directed to the Assistant Transit Planner for eligibility review and internal processing. Payment requests shall be submitted by the 20th of the month – unless prior written approval is provided by STA. Subrecipient billing requests shall be reviewed in a timely manner (within five (5) business days of receipt) and entered into STA's financial management system (MUNIS), *provided all required documentation has been submitted by the subrecipient.*

The Assistant Transit Planner will notify the subrecipient, in writing, of any discrepancies within five (5) business days of submittal by subrecipient. Invoices will be tracked (date of submittal, payment, notices, etc.) in the Section 5310 Invoice Tracking Sheet by Fiscal Year/Subrecipient/STA Grant Agreement.

Any questions or concerns regarding these procedures will be forwarded to the Principal Transit Planner for response.

Attachments (Incorporated by Reference):

Spokane Transit Approval Routing Form (Draft)
 Section 5310 Project Billing Ledger (Sample)
 Section 5310 Invoice Tracking Sheet (Sample)
 Section 5310 Invoice & Budget Reporting Workbook (Sample)

Spokane Transit Authority
Section 5310 Subrecipient Invoice
Approval Routing Form



Submitting Department: Planning and Development
Contact Person: Principal Transit Planner
STA Agreement #:
Project/Program Title:

Date:

CONTRACT INFORMATION:

	<i>(To be completed with 1st Disbursement)</i>	Staff Initials	Date
Contract Term:			
FTA Award # (FAIN):			
Project Type:			
Required Local Match %:			
Indirect Cost Rate (ICR) %:			
ICR Approval Date:			
General Ledger Verified			

INVOICE BACKGROUND:

	Yes	No	N/A	Staff Initials	Date
Allowable Costs					
Approved Line Items as listed in Section 5310 Project Billing Workbook dated:					
Approved Line Items					
Monthly Beneficiary Data Report Included					
Credits Included					
Match Contribution Verified					
Budget Variances < 10%					
Supporting Documentation Attached (<i>required</i>)					
Project Billing Ledger Attached (<i>required</i>)					

SUMMARY:

Requested Action:

Review Signatures:

Assistant Transit Planner

Date

Principal Transit Planner

Date

FTA Section 5310

Agency Name

Grant FAIN

Agency Name					
Agreement #					
		Federal Match Ratio (%)		\$10,000	Local Match Ratio (%) \$0
Invoice #	Date	Federal Match	Local Match	Total Expenses	Comments
20001	8/6/2021	\$ 500.00	\$ -	\$ 500.00	March 2021
20002	8/6/2021	\$ 500.00	\$ -	\$ 500.00	April 2021
20003	8/6/2021	\$ 1,000.00	\$ -	\$ 1,000.00	May 2021
20004	8/13/2021	\$ 1,000.00	\$ -	\$ 1,000.00	June 2021
20005	8/27/2021	\$ 1,500.00	\$ -	\$ 1,500.00	July 2021
20006	10/5/2021	\$ 1,500.00	\$ -	\$ 1,500.00	August 2021
Total		\$ 6,000.00	\$ -	\$ 6,000.00	
Remaining Grant Balance		\$4,000.00	\$0.00	\$6,000.00	

FY22 (October 1, 2021 - September 30, 2022)
Section 5310 Invoice Tracking Sheet

October	November	December	January	February	March	April	May	June	July	August	September
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WA-2018-067

AGENCY	PROJECT	STA AGREEMENT #	CONTRACT START DATE		CONTRACT END DATE
Agency Name	Project Name	Agreement Number	3/3/2019		12/1/2021

1. Date Packet Received (Stamped)	1/11/2022	1/19/2022										
2. Date of Deficiency Notice Email	1/11/2022	NA										
3. Date Entered in MUNIS	1/21/2022	1/21/2022										
4. Date Paid in MUNIS	1/28/2022	1/28/2022										
Days to Process	10	2	0	0	0	0	0	0	0	0	0	0

Agency Name	Project Name	Agreement Number	1/10/2019		12/1/2021
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1. Date Packet Received (Stamped)	11/15/2021	12/13/2021	1/14/2022	2/14/2022								
2. Date of Deficiency Notice Email	11/18/2021	12/14/2021	1/20/2022	2/14/2022								
3. Date Entered in MUNIS	11/22/2021	12/15/2021	1/21/2022	2/23/2022								
4. Date Paid in MUNIS	12/3/2021	12/22/2021	1/28/2022	3/1/2022								
Days to Process	7	2	7	9	0	0	0	0	0	0	0	0

WA-2021-023

AGENCY	PROJECT	STA AGREEMENT #	CONTRACT START DATE		
Agency Name	Project Name	Agreement Number	4/1/2021		3/31/2023

1. Date Packet Received (Stamped)	11/18/2021	12/13/2021	1/14/2022	2/18/2022								
2. Date of Deficiency Notice Email		NA	12/13/2021	1/14/2022	2/21/2022							
3. Date Entered in MUNIS	11/19/2021	12/14/2021	1/28/2022	2/23/2022								
4. Date Paid in MUNIS	11/26/2021	12/22/2021	2/4/2022	3/1/2022								
Days to Process	1	1	14	5	0	0	0	0	0	0	0	0

Agency Name	Project Name	Agreement Number	12/1/2020		12/31/2022
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1. Date Packet Received (Stamped)	12/15/2021	12/30/2021	2/1/2022									
2. Date of Deficiency Notice Email	12/15/2021	1/7/2022	2/3/2022									
3. Date Entered in MUNIS	12/27/2021	2/9/2022	2/9/2022									
4. Date Paid in MUNIS	12/29/2021											
Days to Process	12	41	8	0	0	0	0	0	0	0	0	0

WA-2021-029

AGENCY	PROJECT	STA AGREEMENT #	CONTRACT START DATE		
Agency Name	Project Name	Agreement Number	3/1/2021		8/31/2022

1. Date Packet Received (Stamped)	11/16/2021	12/13/2021	1/14/2022	2/18/2022								
2. Date of Deficiency Notice Email	11/18/2021	12/13/2021	1/14/2022	2/21/2022								
3. Date Entered in MUNIS	11/19/2021	12/14/2021	2/1/2022	2/23/2022								
4. Date Paid in MUNIS	11/26/2021	12/22/2021	2/4/2022	3/1/2022								
Days to Process	3	1	18	5	0	0	0	0	0	0	0	0

SECTION 5310 REQUEST FOR REIMBURSEMENT
(& MONTHLY REPORT OF ACCRUED EXPENDITURES/BUDGET BALANCE)



SUBRECIPIENT:
STA Agreement #:
FAIN #:
FTA Match Ratio:

Month:
10% Budget Variance

Dec-20
86.40%

LINE ITEM	BUDGET	PRIOR MONTH TO DATE	MONTH	CURRENT TO DATE	BALANCE REMAINING	% BUDGET REMAINING
A. DIRECT PERSONNEL (Salaries)						
Director	\$ 90,334.00		\$ 870.20	\$ 870.20	\$ 89,463.80	99.04%
Supervisor	\$ 3,826.00		\$ 145.64	\$ 145.64	\$ 3,680.36	96.19%
DIRECT PERSONNEL (Benefits)	\$ 30,243.00		\$ 938.62	\$ 938.62	\$ 29,304.38	96.90%
SUBTOTAL	\$ 124,403.00		\$ 1,954.46	\$ 1,954.46	\$ 122,448.54	98.43%
B. OPERATING EXPENSES						
Local Travel	\$ 2,618.00			\$ -	\$ 2,618.00	100.00%
Communications	\$ 1,200.00		\$ 20.64	\$ 20.64	\$ 1,179.36	98.28%
Computer (Supplies)	\$ 1,875.00			\$ -	\$ 1,875.00	100.00%
Office Supplies	\$ 600.00			\$ -	\$ 600.00	100.00%
Marketing	\$ 6,780.00		\$ 719.33	\$ 719.33	\$ 6,060.67	89.39%
Seminars & Conference Travel Expenses	\$ 6,000.00			\$ -	\$ 6,000.00	100.00%
Dues & Subscriptions	\$ 888.00			\$ -	\$ 888.00	100.00%
Community Workshops (Supplies)	\$ 3,000.00			\$ -	\$ 3,000.00	100.00%
Website Development	\$ 3,400.00			\$ -	\$ 3,400.00	100.00%
SUBTOTAL	\$ 26,361.00		\$ 739.97	\$ 739.97	\$ 25,621.03	97.19%
C. TOTAL BUDGET	\$ 150,764.00		\$ 2,694.43	\$ 2,694.43	\$ 148,069.57	98.21%

Agency Name is requesting reimbursement in the amount of:

\$ 2,694.43

I CERTIFY UNDER PENALTY OF PERJURY, THAT THE ABOVE REPORT IS A TRUE AND COMPLETE REPRESENTATION OF THE INFORMATION CONTAINED IN OUR SOURCE RECORDS AND THAT I AM AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM.

X

Authorized Signer
Title