

## 2022-2023 FTA Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities Capital Vehicle Grant Application

The 2022-2023 FTA Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities Capital Vehicle Grant Application provides financial assistance for purchasing a transit vehicle throughout the state of Minnesota. This capital grant program supports replacement and/or expansion of transit vehicles during a two year period from January 1, 2022 through December 31, 2023. This grant funding opportunity includes Federal Transit Administration (FTA) grant funding financial assistance administered by the Minnesota Department of Transportation (MnDOT) Office of Transit and Active Transportation (OTAT). This application represents an opportunity to apply for Formula Grants for Enhanced Mobility for Seniors and Individuals with Disabilities (Section 5310) funding.

### Organization Eligibility

Eligible applicants for the FTA Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities include:

- A private nonprofit organization;
- A state or local governmental authority that:
  - \*is approved by state to coordinate services for seniors and individuals with disabilities; or
  - \*certifies that there are no nonprofit organizations readily available in the area to provide the services. 49 U.S.C. 5310(b)(1) and (b)(2)

Federally recognized Indian tribes are eligible to receive 5310 program funds as a direct recipient under the Section 5310 program. A federally recognized Indian tribe may also choose to receive 5310 program funds as a sub-recipient of the State. If a tribe is choosing to receive funds as a sub-recipient of the State please indicate that in the application. (FTA Section 5310 Circular 9070.1G (3)(4)(c))

To be eligible, applicants must have a management plan and clearly describe their vehicle capital need which is further explained below.

New applicants must have a pre-award audit completed prior to application award.

### Application Timeline

June 1, 2020 – MnDOT Office of Transit and Active Transportation (OTAT) releases application

June 15, 2020 - Send Letter of Intent to Apply to Sue Siemers, Program Coordinator

July 1, 2020 - Complete Public Notice and Send Letters to area transportation providers

August 31, 2020 – Application due to MnDOT OTAT by 4:30 PM CDT

November, 2020 – MnDOT OTAT provides notification of grant award to recipients.

## Replacement Vehicle Eligibility

For the 2022-2023 FTA Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities Capital Vehicle Grant solicitation application, the eligibility requirements for vehicle replacement consider both Life Years and Life Mileage as most recently reported. Eligible projects are limited to Class 300, 400 and 500 size vehicles that are equipped with a lift assist compliant with the Americans and Disabilities Act (ADA).

See **Office of Transit and Active Transportation Transit Fleet Vehicle Replacement Eligibility Policy**

## 2-Year Vehicle Solicitation Program

FTA Section 5310 sub-recipients are asked to identify projects for multiple years. Projects identified for CY2022 will be considered candidates for award through 2022 grant program. The list of projects identified for year 2023 will be recorded and maintained for consideration of future annual grant awards.

Vehicles funded by the program will be classified as either an "Expansion" or "Replacement" unit according to the following descriptions:

**Expansion Vehicles:** (also described as "New"): Any vehicle that is not under a current grant agreement with MNDOT.

**Replacement Vehicles:** Any vehicles to replace a vehicle or is currently funded under a FTA Section 5310 grant agreement.

## Application Preparation and Submission

To begin the 2022 and 2023 solicitation process for the FTA Section 5310 program a Letter of Intent to Apply must be submitted to Sue Siemers, Program Coordinator on or before June 15, 2020.

## Accessing the Online Application

Applications must be completed and submitted online through the Black Cat grant management system by 4:30pm CDT on August 31, 2020. Upon request, information is available in alternate formats by emailing [ADArequest.dot@state.mn.us](mailto:ADArequest.dot@state.mn.us).

### BlackCat Login

BlackCat is a grants management system used by MnDOT OTAT. Applicants use the application process in BlackCat to request capital financial assistance to purchase vehicles. In addition, the grant management system collects quarterly ridership statistics to report on system performance as well as vehicle maintenance semi-annually. BlackCat also generates the Request for Funds for the 80% vehicle reimbursement.

First, to login to the BlackCat system, **enter your username and password** at the following web site.

<https://mndot.BlackCatgrants.com/>

**Click Login.**

If you do not have a username and password, or you need help logging into the system, please contact:

Chuck Morris  
Data Systems and Technical Coordinator  
[charles.a.morris@state.mn.us](mailto:charles.a.morris@state.mn.us)  
651-366-4178

## Organizations Tab

Next, once you have successfully logged into the BlackCat system, go to the "Organizations" tab to begin the application process.

<https://mndot.BlackCatgrants.com/Organizations/>

Organization information must be complete and up to date with supporting documentation attached as part of your application in the "Organization" tab. Your application will not be considered complete within the BlackCat Grants Management System until each of the required certification steps are completed with supporting current documentation attached.

The required sections to be completed are as follows:

- |                        |                          |
|------------------------|--------------------------|
| *Organization Overview | *Coordination Activities |
| *Manage Users          | *Contacts                |
| *Service Levels        | *Contract Management     |
| *Title VI              | *Certifications          |

If you need assistance with BlackCat, please contact:

Chuck Morris  
Data Systems and Technical Coordinator  
[charles.a.morris@state.mn.us](mailto:charles.a.morris@state.mn.us)  
651-366-4178

## Applications Tab

Next, once you have successfully logged into the BlackCat system, go to the "Applications" tab to begin the application process. **Click Applications** near the top of the screen.

<https://mndot.BlackCatgrants.com/Applications/>

Upon completing entry and upload of the organization data and resolution on the Organization Tab, the applicant may switch to the Application Tab to begin assembling the supporting documentation required to complete the application beneath the "Grant Opportunity" heading. To complete this step, you must "download" (left screen) a series of sample documents which you will need to edit and "upload" (right screen) back to the system for review by the Office of Transit and Active Transportation.

### Application Management Plan Documents

The following must be completed and attached as part of the management plan to your application. You will be unable to submit an application within the BlackCat system until each of the required management plan documents are completed and attached.

- Project Description: characterizing the title and type of project, whether vehicles are replacement and or new/expansion.
- Boundary Map (8.5 x11): to describe the actual/projected geographic limits of the project.
- People Served: description of people served by the project
- Partnerships and Local Match: explanation of any applicable agency partnerships or sources of local match funds integral to the service
- Partner Letters: explaining the need for the service and the benefits of it beyond organizational lines.
- Publication Affidavit: upload publication notice/affidavit. Provide information about the circulation area of the venue used for the notice. For example: town and/or city demographics and circulation information.
- Detailed Local Coordination Support: describe how coordination support with/from other transit providers enhances the project.
- Organizational Background: demonstrating effective project management by (and history of) the applicant.
- Financial Statement
- Vehicle Capital Need
- Grant Capital Vehicle Request CY2022 Vehicle Replacement and/or Expansion List
- Grant Capital Vehicle Request CY2023 Vehicle Replacement and/or Expansion List
- Resolution

## Resolution Instructions

The Resolution document must be uploaded to the Resolution Section in the Application for each project identified for 2022. The resolution template can be found on the application under the heading Resolution Documents. The application is for a period of two years, 2022-2023, however capital contracts will be for one year periods beginning January 2022. We encourage applicants to use the template for Resolutions. Resolutions should be submitted by the application due date of August 31, 2020. If you are unable to meet the due date for an approved resolution, please inform Sue Siemers, Program Coordinator prior to August 15, 2020.

See Appendix C.

## Project Description

A Project Description characterizing the title and type of project, whether vehicles are replacements and new/expansion.

### 2022-2023 Vehicle Replacement List (See Appendix D)

For fleets larger than ten (10) vehicles, copy Appendix D and continue the inventory

1. Include all active passenger transportation vehicles in agency fleet. Do not include vehicles that are inappropriate for passenger transportation or are not in service.
2. Mark vehicle(s) that this application request would replace with an asterick\*. Make sure to include the vehicle(s) identification number (VIN) in your Project Need.
3. Identify projected mileage on the odometer as of December 2020 for 2022 and a projected mileage on the odometer as of December 2021 for 2023 vehicle replacements and or new/expansion.

Note: If you are requesting to replace a vehicle with a different class of bus, for example if you want to replace an existing Class 300 bus with a new Class 400 bus, please note these replacement details under Comments. The completed 2020 Vehicle Replacement List must be attached and submitted to the online application within the BlackCat system.

## Boundary Map

A Boundary Map (8.5 x 11) to describe the actual/projected geographic limits of the project. Google maps usually can provide a sufficient base map to identify the bounds of service delivery. Wherever possible, identify transportation providers in the area on the maps to facilitate coordination.

## Vehicle Capital Need

Project Need: Extent and urgency of need for requested vehicle. Each applicant must describe its need to replace or expand transportation capacity.

Answer the following questions thoroughly, but briefly. Answer the questions in order to re-state the question you are answering. Attach vehicle repair history, vehicle pictures or other evidence of vehicle need.

1. Provide a brief overview of your agency programs and service area. If contracting for service, also provide an explanation of the service provider arrangement.
2. Describe the service your agency will provide with the requested vehicle (type of service, trip purpose, rider eligibility, and number of trips for seniors and individuals with disabilities).
3. IF REQUESTING REPLACEMENT VEHICLES – demonstrate urgency need for vehicle requested: age/condition/mileage of vehicle(s) to be replaced, condition of active vehicle fleet, availability of backup vehicles, accessibility needs (refer to 2020 Vehicle Replacement/Fleet Inventory – Appendix D)
4. IF REQUESTING NEW/EXPANSION VEHICLES – provide the following information:
  - a. Provide documentation of how need was identified, if applicable, provide the number of trip denials during the past year, or persons on waiting list. How many of these trip denials are for seniors and/or individuals with disabilities?
  - b. How many annual one-way trips will the additional vehicle(s) provide?
  - c. How will your agency pay for the cost (driver wages, fuel, maintenance) of operating the additional vehicle(s)?
5. How will the proposed vehicle(s) address any identified senior/disabled transportation service gaps/needs (as noted in your Region's 2017 Local Human Service Public Transit Coordination Plan) in your service area?
6. To assist MnDOT Office of Transit and Active Transportation, please provide the last six (6) digits of the Vehicle Identification Number for each vehicle your agency is requesting replacement. These numbers must match the Vehicle Identification Number on your 2020 Vehicle Replacement List/Fleet Inventory (Appendix D).

## Service Level

The Service Levels area is used by the provider of transportation services to describe the nature and extent of its business. Route based transit operations may be described with statistics identifying basic characteristics of the service, such as its frequency and active/inactive status. All applicants seeking vehicle assistance for service should enter proposed service hours for the project under the Organization Tab "Service Levels".

## People Served

Provide a summary of your primary user population and demographics in "People Served" under the Grant Tab.

Indicate number of people served by this project, including the primary target population (seniors or individuals with disabilities) and secondary target population (people of low income and minorities).

Describe demographic conditions within the project geographic area. The following sources (others are also acceptable) may help with obtaining data to illustrate how the project fulfills the need for transportation services.

**Minnesota Council on Transportation Access – Local Human Service Transit Coordination Plan:**

<http://www.coordinatemntransit.org> (refer to link to "Regional Coordination Plans" from the menu option at the top middle of this page)

**US Census Bureau:** Economic, Social and Demographic Characteristics

Scoring preference will be given to applicants who:

- Clearly identify how the project enhances access for seniors or individuals with disabilities.
- Clearly identify how the project enhances involvement with the Greater Minnesota Regional Transportation Coordinating Council (RTCC) and the Metro Transit Coordination Assistance Projects (TCAP).

## Partnerships and Local Match

Identify fiscal partnerships with existing public and private human service agency transportation providers, non-transit entities and/or private non-profit/for-profit operators.

## Public Notice and Affidavit of Publication, Transportation Provider Contact List

### A. Public Notice and Affidavit of Publication

To ensure the general public and transportation providers are fully aware of your proposal every applicant must publish a public notice prior to July 1, 2020 and submit evidence of the notice (an Affidavit of Publication) in support of your application.

- The public notice must appear in the most frequently published newspaper in the service area.
- If the paper is printed daily, the notice must appear for three (3) consecutive days.
- If the publication is printed less than daily, only one (1) appearance is required.
- To ensure the notice is printed on time the applicant should determine publishing deadlines for the local newspaper and be prepared to pay for publishing and for an Affidavit of Publication.

The public notice should state the following information:

"Notice to Transportation Providers"

The (name of agency) hereby provides notice that it intends to apply to the Minnesota Department of Transportation for the following transportation vehicle to serve seniors and individuals with disabilities in (indicate the service area). (Indicate the

type of vehicle, number of seated positions, and number of wheelchair spaces to be requested). Individuals or agencies seeking to request transportation service, coordinate transportation with (agency name) or comment about application should contact (name of contact person at agency), (agency address), (agency telephone number). Public body applicants must also attach a copy of any hearing record (where a hearing was required) and a summary of efforts to involve the private sector to the maximum extent feasible.”

Helpful hints:

- To submit evidence of the notice, most will provide a copy of the posting via a PDF file that is uploaded into designated box.
- To reduce printing costs, applicants may combine resources to print Affidavit of Publication if common service area exists.

## B. Transportation Provider Contact List

Applicants are required to notify other local passenger transportation providers in their geographical area of their intent to apply for a grant vehicle, as well as the proposed transportation services to be offered. In order to facilitate feedback, applicants must invite comments or counter proposals for the proposed service. Another provider's counter proposal may be based on the use of its own equipment or on a proposed lease of the equipment provided by the grant. The Transportation Provider List is the foundation for creating coordinated and cooperative transportation services.

Transportation Provider Letter Correspondence process:

All applications must address the following items for each transportation provider identified in the proposed service area:

1. Compile a list of all the transportation providers (public transit systems, school bus operators, private agencies, non-profit agencies, taxi companies, other FTA Section 5310 recipients, private for profit paratransit operators, volunteer driver programs, etc.) in and adjacent to the proposed service area.
2. If unsure who the transportation providers are in the geographic area proposed to provide service in, contact Sue Siemers, FTA Section 5310 Program Coordinator.

Send a “Transportation Provider Letter” to each transportation provider identified in the list by July 1, 2020.

**See Appendix E.**

Follow up: Be sure to check the appropriate box on the Appendix E: Transportation Provider Contact List Form to indicate if a response was received.

## Local Coordination Efforts

This section is applicants opportunity to demonstrate a strong working relationship with local public and private transportation providers in your service area. Applicants must work together with local transit and paratransit operators in developing a

comprehensive transportation network in the project area. Applicants should also seek to coordinate services with other programs for seniors and individuals with disabilities.

## Evidence of Coordinated Effort/Vehicle Use

As part of a coordinated effort, two or more non-profit organizations from the same service area may coordinate applications for FTA Section 5310 funding. MnDOT Office of Transit and Active Transportation requires each agency to submit individual grant applications, but the Provider Notification Letter and Project Justification should reflect the coordinated nature of the application.

Transportation providers may also enter into operational agreements with other agencies (that primarily serve seniors and individuals with disabilities) to maximize the use of the vehicle(s). MnDOT Office of Transit and Active Transportation will give priority to applications that demonstrate a coordinated transportation network.

MnDOT Office of Transit and Active Transportation encourages maximum use of vehicle(s) funded under the FTA Section 5310 program. Consistent with the requirements of the FTA Section 5310 Program, vehicle(s) are to be used first for program related needs and, beyond the purposes for which a FTA Section 5310 grant are made (e.g. providing service to seniors and individuals with disabilities not affiliated with their agency), to meet other transportation needs of seniors and individuals with disabilities, to meet other Federal program or project needs, and finally for other local transportation needs.

During the period the vehicle is used to serve the project or program needs for which it was acquired, the subrecipient shall make it available for use on other projects or programs, as long as such other use does not interfere with the service for which the vehicle was originally acquired.

First preference for such other use will be given to other projects or programs sponsored by the Federal Transit Administration, and second preference will be given to projects or programs sponsored by other Federal agencies. Finally, vehicle(s) may be used by non-Federally funded providers, to meet the needs seniors and individuals with disabilities, and then to serve the transportation needs of the general public on an incidental basis as long as such service does not interfere with transportation services for seniors and individuals with disabilities.

Applicants should submit service evidence of coordination with other non-profits, for-profits and public transportation providers. This includes service agreements, resource sharing, referral arrangements, coordinated vehicle dispatch, memorandum of understanding, coordination action plans, joint training, etc. (refer to these attachments in the coordination section of your Project Justification).

You may also include any other significant information that describe your community's transportation needs and concerns, such as public hearings, surveys, council meetings, news articles, etc. (refer to these attachments in Section II – Project Need).

## Organizational Background

Summarize organizational experience in “Organizational Background” under the Grant Tab to demonstrate the applicant's ability to effectively manage the proposed project.

- Describe the applying entity's history managing programs similar to the proposed project, including annual trips provided and/or annual clients served.

- Describe organizational resources for the project (staff, fleet, volunteer support and managerial experience of similar projects).
- Provide summary of Driver Qualifications and Training. Provide Routine, Preventive and Repair vehicle maintenance policies and procedures.

## Financial Statement

Applicants must provide a copy of their respective organizational financial statement (a copy of most recent audit) with application.

- Applicants must prove financial capacity and describe the applying entity's annual budget and other financial resources. (a copy of entity's financial statement and IRS Non-Profit Determination into a PDF file and upload into designated box).

Please contact your project manager if you need assistance with this application.

## Project Manager Contacts

Brian Konkol - Metro  
 395 John Ireland Boulevard  
 St. Paul, Minnesota 55155  
[Brien.konkol@state.mn.us](mailto:Brien.konkol@state.mn.us)  
 651-366-4163

Sue Siemers - Greater Minnesota  
 3725 12<sup>th</sup> Street  
 St. Cloud, Minnesota 55330  
[susan.siemers@state.mn.us](mailto:susan.siemers@state.mn.us)  
 320-223-6556 or 763.234.4940

Tina Neary - Tribal  
 1123 Mesaba Avenue  
 Duluth, Minnesota 55811  
[Christine.neary@state.mn.us](mailto:Christine.neary@state.mn.us)  
 218-725-2812

## DUNS Number

The DUNS (Data Universal Numbering System) number is a nine-digit number issued by Dun & Bradstreet (D&B). This number is assigned to each business location in the D&B database having a unique, separate, and distinct operation for the purpose of identifying them. The DUNS number supplements other identifiers, such as the EIN, and is required whether the application is made electronically or on paper. Your DUNS number is tied to your 9- digit zip code. Be sure to enter a 9 digit zip code in the fields listed. Subrecipients of federal grant funds must have and maintain an active Data Universal Numbering System (DUNS) Number registered at Dun & Bradstreet

## Technical Assistance

MnDOT Office of Transit and Active Transportation staff is available to assist applicants seeking FTA Section 5310 program funding in all phases of the application process. On-going technical assistance provided by the Office of Transit and Active Transportation staff includes:

1. Providing input into FTA Section 5310 related transit service development plans or assisting and advising in potential program changes;
2. Providing methodology for review and analysis of transit operations related to FTA Section 5310;
3. Providing assistance in meeting state and federal regulations, e.g., civil rights requirements; and
4. Providing assistance in coordinating transit services.

## Project Selection

Grant Agreements will be awarded based on the Statewide Review Committee's recommendation upon evaluation of each application. To evaluate applications, the Statewide Review Committee will utilize the criteria for scoring applications described in the section "2022 and 2023 Application Instructions and Project Selection Criteria" found on pages six through 10 (6-10) of these instructions. Preference will be given to the applications demonstrating extensive partnerships with agencies as MnDOT values the coordination of service delivery. To develop its program funding recommendation, the Statewide Review Committee will incorporate feedback from the Transit Project Manager who provides oversight to the applicant on a regular basis.

See **Appendix B** for the project scoring criteria used by the Statewide Review Committee. The Statewide Review Committee includes, but is not limited to, representatives of Minnesota Council on Transportation Access, Regional Transportation Coordinating Council, the Minnesota Department of Human Services; the Minnesota Department of Employment and Economic Development; the Minnesota State Council on Disability; the Minnesota Department of Human Services, Aging and Adult Services; MnDOT OTAT project managers; MnDOT OTAT programming staff and the MnDOT OTAT FTA Section 5310 Program Coordinator.

## Appeal Process

If an application is not funded based on committee recommendations, the applicant may appeal the outcome by initiating an appeal. The appeal will rely on a written notice of appeal from the applicant that clearly states the organization's name, contact person, address, phone number, project description and the rationale for the appeal. The Notice of Appeal must be addressed to Victoria Nill, Director, MnDOT Office of Transit and Active Transportation, 395 John Ireland Boulevard, MS 430, St. Paul, MN 55155-1899.

In the event of an appeal,

- Staff will verify that the Notice of Appeal was postmarked no later than 14 calendar days from the date by which MnDOT OTAT notified the applicant's funding status (award).
- The MnDOT OTAT Director will review any appeal and provide a written response within ten (10) working days. The decision issued by MnDOT OTAT Director is final.

## Grant Agreement Award

Approved applicants will enter into a grant agreement with MnDOT OTAT and should be prepared to abide by all applicable federal requirements regarding civil rights, procurements and other requirements. An attorney's signature is required on all federal certifications and assurances. To obtain a detailed copy of these requirements, please contact Sue Siemers.

## Notice of Grant Agreement Award

Approved applicants will be notified by email whether or not the project(s) have been selected shortly after the Statewide Review Committee evaluation concludes to provide a basic expectation of potential funding as well as to remind future recipients that no work may be conducted prior to the execution of a grant agreement so as to maintain eligibility for reimbursement under FTA 5310 program guidelines.

## Reporting Requirements

Grant recipients are required to report ridership statistics quarterly during the grant agreement period. Grant recipients report quarterly ridership, miles and hours of operations for each FTA Section 5310 vehicle within fleet. Grant recipients are also required on a semi-annual basis to report on vehicle maintenance statistics including vehicle condition, mileage, preventative and corrective vehicle maintenance.

The quarterly and semi-annually reports must be submitted electronically to your Transit Project Manager for approval.

MnDOT OTAT may require additional progress reports depending on the nature of the project and federal requirements. Additional required reporting for FTA Section 5310 Traditional Vehicle projects may involve:

- a. Gaps in Service Filled: Provision of transportation options that would not otherwise be available for seniors and individuals with disabilities, measured in numbers of seniors and individuals with disabilities afforded mobility they would not have without program support as a result of traditional FTA Section 5310 projects implemented in the current reporting year.
- b. Ridership: Actual or estimated numbers of rides (as measured by one-way trips) provided annually for seniors or individuals with disabilities on FTA Section 5310 supported vehicles and services as a result of traditional FTA Section 5310 projects implemented in the current reporting year. Increases and enhancements related to geographic coverage, service quality and/or service times that impact availability of transportation services for individuals with disabilities as a result of the FTA Section 5310 projects implemented in the current reporting year.

## Reimbursement for Payment

To receive the 80% reimbursement for the vehicle the applicant entity must be willing to first pay the vehicle vendor. After payment has been made the entity will submit a Request for Funds to MnDOT OTAT including all supporting documentation necessary to substantiate the eligibility of the expense. Once the Request for Funds is received MnDOT OTAT will process the Request for Funds and will reimburse the approved sub-recipient up to the allotted amount.

## Minnesota Cooperative Purchasing Venture (CPV)

Each applicant must be an approved member of the Minnesota Cooperative Purchasing Venture (CPV) Program prior to purchase of vehicles through the Minnesota Cooperative Bus contract. Information about the program and the application process can be found at <http://www.mmd.admin.state.mn.us/coop.htm>

Vehicle Capital will be procured through the state bid process with the assistance of the MnDOT Office of Transit and Active Transportation. Any equipment purchases made with the FTA Section 5310 capital requests must be purchased through the Minnesota Cooperative Bus contract for transit buses, using equipment options allowed on that bid.

## Fiscal Match Requirement

Capital projects require a 20% local match. Local match must be provided from sources other than US DOT funds such as:

- State or local appropriations, e.g. MN Department of Human Services grants
- Other non-DOT federal funds
- Dedicated tax revenues
- Private donations from Charitable Trusts and Foundations
- Revenue from human service contracts
- Net income generated from advertising and concessions

Note: Local match cannot be in-kind or non-cash

## Public Data

Pursuant to Minn. Stat. §13.599 Names and addresses of grant applicants will be public data once responses are opened. All remaining data in proposed responses (except trade secret data as defined and classified in §13.37) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed). All data created or maintained by the Minnesota Department of Transportation as part of the evaluation process (except trade secret data as defined and classified in §13.37) will be public data after the evaluation process is completed (for the purposes of this grant, when a grant agreements have been fully executed).

## Generally Accepted Accounting Practices (GAAP) and Audit

Generally accepted accounting principles (GAAP) refer to a common set of accepted accounting principles, standards, and procedures that a recipient, and any third party contractor, and their accountants must follow when they compile their financial statements. The records must permit audit verification of transit cost allocations claimed during the contract period. It is important to keep good records for all labor and material expenditures. Only reasonable costs directly related to and necessary for conducting the business of the public transit system are allowed. A cost is considered reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person as ordinary and necessary for the operations.

Regardless of when an expense invoice is received or paid by the transit system, the expense must be billed to MnDOT in the grant agreement period in which the expense was incurred.

The financial records of the recipient must be audited. Audits occur by the MnDOT audit department and when applicable, as part of an independent audit (recipients that expend \$750,000 or more of federal funds during the recipient's fiscal year must have a single or program specific audit for that year). Audits conducted by MnDOT audit department must be based on the

contract cost principles and procedures in the 2 Code of Federal Regulations (CFR), Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Visit MnDOT's Office of Transit and Active Transportation website for more information and updates. [www.mndot.gov/transit](http://www.mndot.gov/transit)